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WEST EUROPE REPORT

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PCI PAJETTA'S EDITORIAL ON U.S. DEFENSE POLICY

Rome RINASCITA in Italian 28 Aug 81 pp 1, 31

[Article by Gian Carlo Pajetta: "Negotiate Now, With Everyone"]

[Text] So much is happening in the field of international relations to justify and make even more urgent the alarm sounded to encourage every effort that might reverse the dangerous process under way. The game that is being played out is becoming increasingly dangerous. We no longer are confronting merely a general debate on the crisis in detente, nor even merely individual situations which, however dangerous they may be, can be analyzed separately. New developments have taken place: United States policy is assuming disquieting aspects and tones which seem to render more arduous the prospects of political solutions for differences and conflicts which are now getting worse.

During the American elections we avoided formulating hasty conclusions and taking for granted that a Republican victory would necessarily mean a crisis in the achievements of detente, already endangered in several instances. Even after the Reagan victory we hoped to be able to separate electoral propaganda from what the president's policy would be. Today, however, we are not judging electoral propaganda. Today we are faced with a series of facts and accompanying declarations by the American president which constitute grounds for great alarm. From the asserted search for equilibrium we have passed to an avowed will for military supremacy, to be demonstrated in every part of the world. As for the alliance of which we are a part, all there is left is the will of the strongest power to play a dominating role. Every concession to the rights and specific interests of the European partners has been abandoned, even in the language used.

The most recent development was the aerial engagement over the Mediterranean. Whatever the actual facts of the case may be, to us what seems to be of greater concern is the almost explicit declaration by the president of the United States of having wished to test the reactions of Libya, to have the chance of flexing America's muscles. Even minister Lagorio had to recognize that the Americans' gesture was like the gesture of a person who lights his cigarette over a keg of dynamite. However, Reagan in the uniform of commander in chief of the Navy, standing on the bridge of an airplane carrier, wanted to declare that lighting such a cigarette was a proof of bravery and that America was ready to show that it was capable of other such actions in every part of the world.

At this very moment on the NATO front, the allies are required to expedite the search for places to install the Pershing and Cruise missiles.

Today, in this deteriorating situation, the problem of a meeting between the great powers, and the opening of a negotiation is urgent and necessary. No one denies this need; on the contrary many claim to have pointed it out ever since the question arose of missiles in Europe. They state they favor "contextuality," and "breaking up." Even the Christian Democrats who before the parliamentary vote had obtained the Socialists' agreement to eliminate the term "break up" from their documents, now, through their minister, adopt it for themselves.

Almost two years have passed but the United States has still taken no concrete steps. For his part the Italian foreign minister, who declared that the Soviet proposal was inadequate and required further clarification, has until now failed to show an effective interest in the path of negotiations. It was deemed preferable to be zealous in developing measures such as the choice of Comiso, whose implications run contrary to any consideration of negotiations as essential.

We believe, on the contrary, that at this very time the path of negotiations with the USSR should be considered as essential, and every possible opportunity should be explored immediately. An agreement should be reached as soon as possible on when, with whom, and for what purpose. Obviously, the negotiations cannot take place with any expectation of positive outcome in a situation where there is further aggravation in the processes of destabilization.

We have never wished that unilateral positions should prevail. We have always considered that measures based on an expansionist and power policy, wherever they may come from, tend to worsen the situation and cannot further the objective that ought to concern all countries: Equilibrium, to prepare the way for armaments reduction. When we use that term, which some might wish to consider as a synonym, or an excuse, for a race for superiority, we hasten to explain that these two concepts are absolutely incompatible. We consider that even the mere seeking of "superiority," given the forces at work, given the rapid processes of sophistication of arms, given that these processes can only briefly remain the exclusive property of one or the other contestants, and at any moment one of the two contestants may seek to exploit, before being caught up with, the achievements attained, in turn, by the other.

It is impossible to understand the concern of the United States and their allies to assert that the USSR today has an obvious superiority, that the USSR is in a position to beat them, and to verify and declare how long a time the USSR can enjoy that superiority. Actually, such an attitude either is in itself a denial of such superiority, or else it is tantamount to admitting that general world conditions today exclude any possibility for aggressiveness (that very aggressive will which they claim already exists). In order to wage war today it is not enough to have a few extra missiles, or even to dispose for the moment of a superiority in this or that conventional weapon.

We recall that we have always condemned the use of force, urging that there should be a political solution for every disagreement, regardless of whether it be the USSR, the USA, or whatever other country. We have thus condemned the Chinese military

action in Vietnam; we spoke in favor of a political solution of the Cambodian problem which would guarantee national independence and take into account the Southeast Asian equilibrium. We have condemned Soviet military intervention in Afghanistan and we persistently pose the problem of seeking a negotiated solution.

At the same time we reject the position of those who, indifferent to this tragedy, in fact seek to find an excuse in it for nuclear rearming in Europe. On the other hand, we have not accepted the excuses for the American Camp David policy, considering it part of an effort to seek a zone of United States strategic influence for confronting the Arabs and ousting the USSR from Mediterranean affairs. The fact that the adoption of positions of this kind has thus far secured no significant results by no means justifies a discouraged attitude of abandon or surrender concerning the policy which has produced such a situation. It should, on the contrary, impel us to larger, stronger, and broader actions to influence the situation.

Moreover, there is no lack of forces which are moving toward a different policy. Numerous countries are showing obvious symptoms of unrest and concern, and ever wider and more diverse levels of world public opinion are giving rise to a protest movement. Certainly, the resistance of nonaligned countries was a decisively positive element. They refused to have their policy coincide with the diplomacy and the strategy of one or the other blocs. From time to time they adopted autonomous positions.

We have always urged that negotiations should not only be undertaken, but made possible by measures and actions showing the readiness of each side to rediscuss its own armaments. But today, we who have criticized the power policy of the USSR, we who refused to go to Paris to a conference of Communists alone to argue with powers disposing of missiles against nuclear rearming, today we say that something new and important has come from the USSR. We are not alone in saying that this opens new possibilities of negotiations. Minister Colombo, himself, said so, although he wished to denigrate the Soviet gesture. Willy Brandt also said so, but with a much different clarity and with hopefulness.

We are convinced that these new Soviet proposals, the willingness to discuss controls, even the declarations about the Soviet superiority in arms in some areas, which indicate readiness to reconsider some missile inspection, are not the result of Reagan's policy. The Brezhnev proposals to the XXVI congress of the PCUS and recently their elaboration in an article by [Defence Minister Dmitri] Ustinov, were encouraged and influenced above all by the German policy of Schmidt, by Brandt's initiatives, by the discussions in the Socialist International, and in general by the movement which is growing in Europe, already so vast in the Scandinavian countries, in [the] Federal [Republic of] Germany, in Belgium, in Holland, in England. We have said several times that these problems are so serious that they cannot be exploited for domestic political or propaganda purposes. Precisely for this reason we immediately presented constructive proposals to the Italian government, and precisely for this reason we reproached Socialist comrades for having abandoned in their document the "break up" clause (which to us seemed very vague; but to others who did not want it, it seemed too strong).

The situation today finds us faced with serious developments which ought to cause concern. One of these developments is the choice of Comiso, on the very eve of the Haig-Gromyko talks. Above all, this prevents Italy from exercising its own

influence, even if only to indicate to the Americans Italy's own concerns, of effectively recalling the need for negotiations. The other is the declaration, contrary to all logical credibility, minister Colombo made to parliament to the effect that the construction of the N bomb is an American domestic political action of no concern to us. This is contrary to all reason. We must not forget to note how this bomb is destined to be used against tanks, and thus it can be used in that very part of Western Europe people imagine will be overrun by Soviet tanks.

Surely the United States would not have undertaken the construction of these "bombs," costing hundreds of billions of dollars, if they were not certain of being able later to deploy them in the only place where they can be used.

Today these two facts pose a problem involving Italy's foreign policy. It is the problem raised in parliament with special force by comrade Riccardo Lombardi. Lombardi did not ask--neither do we--that Italy should leave NATO, but he did ask that the Italian government and parliament examine our position in NATO: What does it mean to be "allies"? What we have before our eyes is the very way things should not be. Minister Colombo actually lied when he declared that in the choice of Comiso we did nothing more than follow the example of other countries. The only country which until now has identified two sites for the missiles is England, while Belgium and Holland refused to do so, and Germany made a statement to the effect that, when it does do so, it would select only sites where Americans are already present.

I have cited Lombardi, who also spoke in the name of DeMartino. I cited the concerns of minister Lagorio, and even those of Colombo, who thought he ought to "cover" himself with the letter sent to Reagan on the eve of the parliamentary debate. It would thus be an error on our part to agree that others can in some way make public opinion believe that this question concerns only the relations between opposition and parliament. Similarly, it would be wrong to transform what is a battle for survival, for defense of peace, into a party struggle.

The statements of such clergymen as Benelli, Capovilla, Bettazzi, the article of DeRosa in the Corriere della Sera, show us, along with the numerous statements coming from ACLI [Associations of Italian Christian Workers], how great are the concerns even in the Catholic world. By no means will our disagreements with the DC lead us to underestimate such a state of mind. Nor do we ignore the fact that when the Sicilian Assembly voted, three Christian Democrat deputies presented a resolution against the installation of atomic missiles, with arguments similar to ours, and that only party discipline forced them to withdraw it; nor do we forget the explicit statement of Senator Granelli, who did not hesitate to express his open disagreement with government policy even in parliament.

The fact that the government took a position which we condemn does not mean that new proposals might not emerge from the debate, that new requests might not be advanced, above all by PSI comrades. I have mentioned Lombardi and DeMartino, who took positions very close to ours, but I do not want to forget that still others (for example, see the recent article by Giorgio Ruffolo in the REPUBBLICA) seek a policy of initiatives for Italy and for Europe.

Therefore, if we consider an Italian initiative urgent (without it we will appear isolated in Europe) we ought also to recognize that the policy to secure that result

should have an evermore general aspect, it should be as absolutely unitary as possible. We do not claim any exclusive role in this field; we consider it would be dangerous and damaging to isolate ourselves, or even merely let it be thought we were isolated. On this subject it ought to be possible to achieve a unity, or at least a convergence, a dialogue of the left and the worker movement, with a broader alliance in view. To those who, a propos of negotiations, ask "when?", "with whom?" and "about what?" it should be possible to reply, all together: At once, with everyone, for an immediate stop to the deadly race, for the seeking of an equilibrium, and for controls that guarantee it.

9772

CSO: 3104/370

RAPIDLY GROWING WILLOWS SEEN AS COMPETITIVE ENERGY SOURCE

Helsinki HELSINGIN SANOMAT in Finnish 18 Aug 81 p 20

[Article: "Energy Willow Succeeds in Former Peat Bogs, 10 Tons of Fuel Annually per Hectare"]

[Text] Oulu--The fast-growing energy willow also grows very well in exhausted peat bogs. The Forestry Research Institute and peat companies have experimented with growing willows in five bog areas no longer used for the production of peat.

For example, the energy willow at Haapavesi's Piipsanneva has grown just as rapidly for the third summer as the willows at the Forestry Research Institute's Kannus Test Station. Calculated in dry substance kilos 1 hectare of willow cultivation has produced approximately 10 tons of fuel annually. It takes two and a half tons of willows to produce as much energy as 1 ton of oil.

Areas no longer used for the production of peat or rejected because of their rockiness constitute approximately 100 hectares in our country. It is believed that by the year 2000 the surface area of exhausted bogs and rejected areas will increase to 50,000--100,000 hectares.

At the present time there are approximately 25 hectares of land under cultivation for energy willows, of which nearly half is made up of bogs. This activity will continue to be experimental through the end of this decade. The development of machinery for harvesting and processing willows is still in the initial stages.

Doctor of Forestry Veli Pohjonen states that energy willows will grow slightly slower in the bottom of bogs than in other experimental cultivation sites for the first two summers. The older cultivations at Haapavesi have, however, succeeded quite well in the third year of growth.

"The 'domestication' and the cultivation of a peat bog require a couple years. Energy cultivation must, however, be initiated immediately after peat excavating equipment has been removed. Otherwise, weeds will take over very rapidly," states Pohjonen.

Compared to other areas the advantage of a bog bottom is its sterility. It contains no diseases, pests, or weeds.

Bogs for Continued Energy Production

The purpose of this experimental willow cultivation is to guarantee energy production in bogs after all the peat has been removed. With present methods peat is excavated from bogs over a period of 15--20 years. However, the uneven nature of a bog bottom and loose rock make many areas unusable even before this.

Energy willows are cultivated in the spring at the normal planting time on flat ground in rows in the manner of potatoes. Pieces of willow shoots are used as cuttings. The cuttings root quite well in the moisture containing peat bogs. According to Pohjonen this summer's hard rains have not hindered the growth of the willows.

For the time being the so-called hoop willow has turned out to be the best energy willow for cultivation in peat bogs. This species of willow, which was brought from abroad, was found from the collection in Oulu University's botanical garden. Other species that have been used are the osier willow and the water willow. However, their durability under winter conditions is weaker. The osier willow has also turned out to be a great favorite among the rabbits.

An attempt is being made to coordinate the cultivation of willows with slack periods in peat production. On rainy days work could be accomplished on willow cultivation; planting, fertilizing, or harvesting. Generally, energy willows are harvested in the late fall. In this way the work period for peat bog workers could be extended.

Harvest Equipment Still Being Developed

This fall the Forestry Research Institute will also begin the testing of harvest machinery. The cultivated areas are now for the first time large enough that the use of machinery is worthwhile.

So far clumps of willows have been harvested primarily with normal mowing equipment. Finger-size willows can be cut down with such equipment. However, the stems must be taken off separately.

In the fall willow threshers developed in Nivala will also be tested. These threshers will separate the leaves and the stems. The fodder made from willow leaves has been used for feeding beef cattle.

The developing of harvesting machinery is also currently going on at Turveruuki's Rantsila Machine Shop. The study is being funded by the Ministry of Trade and Industry.

Suitable Fertilizing Being Studied at Rantsila

The experimental cultivation of energy willows was begun last spring in the Paloneva area of Rantsila. The experiments are being conducted in an area no longer used for peat production by Turveruuki. The study is being funded by Kemira and the Forestry Research Institute.

"Normal forest fertilizing and the harvesting of dead wood is at this time still more beneficial than actual energy cultivation," emphasizes Doctor of Forestry Kalervo Salonen of Kemira.

The future use of bogs no longer used for peat production also interests Kemira. The company has purchased bogs primarily for the purpose of peat production. In this way the use of the bogs in the future is easier than when leased.

Willow cultivations in bogs have primarily been fertilized with nitrogen and phosphorus. Ash has also been used. In addition to this, the application of lime has also been needed. Excessive fertilizing has had a detrimental effect on the growth of the willows. On the other hand, without fertilizing the results have been even weaker.

The cultivation of energy willows in bogs is still in the experimental stage. The start-up costs of the above-mentioned cultivation have been rather high, nearly 20,000 markkas per hectare. The work is accomplished primarily by hand. Pohjonen states that these costs will, however, decrease later. Willows are renewed rather rapidly by cutting off the new shoots.

The Rantsila test cultivation area covers nearly 2 hectares. The interval between rows is 70 centimeters and the distance between cuttings is half of that. Willow shoots approximately 20 centimeters in size, which were kept in cold storage during the winter, were used as cuttings.

10576

CSO: 3107/125

SCIENTIST CALLS FOR TURKISH USE OF THORIUM

Istanbul TERCUMAN in Turkish 8 Aug 81 p 3

[Text] Nuclear Reactor Senior Engineer Dr Ali Aktogu, who is employed at the Nuclear Research Center in France and who is in Turkey to fulfill his military duty to his country and is being discharged after a short term of 2 months' service, has sent to State Chairman Gen Kenan Evren a report he prepared that deals with thorium, a source of energy that is in plentiful supply in Turkey, and with nuclear power plants that will be established.

Nuclear Reactor Senior Engineer Dr Aktogu reported that thorium, which is plentiful in our nation, is a source of energy that is given importance in all countries of the world and noted that construction of nuclear power plants that use thorium is being accelerated in America, Germany, and, in particular, France.

Aktogu's Statement

A report dealing with nuclear power plants that Nuclear Reactor Senior Engineer Dr Aktogu prepared while performing his short-term substitute military service, which he completed in Bursa, has begun to be examined by officials. Dr Aktogu, who gave us his views on the subject, said that there is a need to found nuclear power plants to take advantage of the thorium that is in ample supply in Turkey. Dr Aktogu continued:

"A general energy policy based on the utilization of our natural resources must be established. In this energy policy, we must take advantage of hydroelectric systems, nuclear energy, lignite, and solar energy. Turkey's total electricity production is 6,000 megawatts. If six nuclear power plants were built, Turkey's capacity for producing electricity would immediately increase by 100 percent. Other than uranium, which is currently used at nuclear power plants, thorium is an important source of energy and is found in plentiful supply in our country. Electricity produced at nuclear power plants (considering the period of time electricity is produced over the life of the nuclear fuel) costs much less than electricity produced by a hydroelectric system or at a thermal power plant that burns petroleum."

11673

CSO: 4654/132

DELAYS REPORTED IN COMPLETION OF AFSIN-ELBISTAN PLANT

Istanbul GUNAYDIN in Turkish 15 Aug 81 p 5

[Text] It is reported that construction of the Afsin-Elbistan thermal power plant, which will soon save our nation, whose consumption of electricity has reached 27 billion kilowatt-hours per year, from worries about electricity, is being delayed. An article in the FINANCIAL TIMES reports that the Afsin-Elbistan power plant is the largest thermal power plant in the world. When it is completed, the power plant will supply 25 percent of Turkey's energy needs.

The newspaper notes that construction of the thermal power plant, which began in 1973 and was expected to be completed in 1979, has been delayed due to a shortage of materials, equipment, and credit. It was abandoned to its own fate in 1978 and 1979 when absolutely nothing was spent on it. The FINANCIAL TIMES goes on to say that the 150 foreign engineers working on the project returned to their countries at that time when their salaries could not be paid because of the lack of foreign exchange, and, consequently, construction came to a halt. The greater the number of delays, however, the higher the increase in costs.

Who Is Responsible?

Construction of the thermal power plant is the responsibility of the American firm, Foster Wheeler, and a group of French and German corporations. The Turkish Kutlutas Construction Corporation is building the cooling towers. The foreign contracting firms claim that Turkish contractors and construction firms other than Kutlutas are primarily responsible for delays in construction and that their work is of inferior quality.

This power plant will be able to produce 7.8 billion kilowatt-hours of electricity per year and will be able to prevent electricity brownouts in Turkey the moment it is completed. The lignite coal used by the power plant will be supplied by low-quality lignite furnaces in the region.

Should Have Been Completed

There is enough lignite in the area to supply the thermal power plant for 100 years. Total reserves are estimated at 3 billion tons.

The power plant should have been completed by May 1981. In 1979, total costs were projected at \$1.5 billion (180 billion liras). Foreign experts say that the more delays there are, the higher the cost will be.

What Does TEK Say?

TEK [Turkish Electric Power Directorate General] officials state that delays at the Afsin-Elbistan thermal power plant will cease and that the first turbine will go into operation at the beginning of 1983. They assert that all technical and financial problems related to the power plant are being solved at this time and that this investment is finally on the right track.

11673

CSO: 4654/128

THERMAL POWER TO COVER ENERGY PRODUCTION DEFICIT

Istanbul CUMHURİYET in Turkish 1 Aug 81 p 5

[Article by Baris Kudar]

[Text] Izmir--It has been reported that, if it can be guaranteed that investments be completed by the dates planned, Turkey will be able to overcome its energy shortage and will no longer be forced to purchase electricity from other countries. According to estimates that have been made, electricity production using new thermal power plants will exceed 40 billion kilowatt-hours in 1983 while needs will total 37.5 billion kilowatt-hours.

The fact that the Soma-B power plant units 1 and 2, which are expected to be put into operation in the next few months, have the capacity to close the energy gap that is foreseen is proof of the importance of the thermal power plants what utilize coal and that can be completed within 3 to 4 years.

A report prepared by the TEK [Turkish Electric Power Directorate General] in conjunction with the Soma-B thermal power plant units 3 and 4, for which Prime Minister Bulend Ulusu laid the cornerstone in the Aegean region, states that Turkey's electrical energy needs in 1981 will be 29.25 billion kilowatt-hours in 1982; 32.1 billion kilowatt-hours in 1982; 37.5 billion kilowatt-hours in 1983; and 40.9 billion kilowatt-hours in 1984. The TEK report calculates Turkey's total gross electrical energy demand for 1981 at 27,323,000,000 kilowatt-hours. Of this, 21,560,000,000 kilowatt-hours are being produced by the TEK and 3,898,000,000 kilowatt-hours, by other domestic organizations. The remaining 1,865,000,000 kilowatt-hours are being imported from foreign countries. The almost 2 billion kilowatt-hour deficit is expected to be met by Soma-B thermal power plant units 1 and 2, which are planned to be put into service this year.

The report notes that when TEK, which produces 83.4 percent of the electrical energy produced in Turkey, was first established, it contributed 89.6 percent of the electricity produced. The report goes on:

"The concentration of electrification services in one hand made it possible to introduce service throughout the entire nation with the optimal investment. Furthermore, making use of our primary natural energy resources laid the groundwork for increasing the percentage of our own resources used in total production. In this way, great strides were able to be made toward reducing, at the highest level, foreign dependency in the energy sector.

"At the end of 1980, hydroelectric power plants belonging to the TEK accounted for almost 46 percent of TEK's production and lignite power plants, over 24 percent."

The report also states that of the 25 thermal power plants that produce electricity in Turkey, 10 use fuel oil, 5 use diesel fuel; 4 use hard coal; and 6 use lignite.

A point emphasized repeatedly by Prime Minister Uluu during his Aegean trip was a transition to domestic resources in order to reduce dependency on oil. The report notes that of the 21 thermal power plants that are expected to be completed by 1986, 1 will use natural gas; 1 will use diesel fuel; 1 will use coal; and the remaining 17 will use lignite. Studies indicate that, with the new thermal power plants that go into production by the end of 1984, Turkey's production will reach approximately 47 billion kilowatt-hours. Because this amount exceeds predicted demand, it will be unnecessary to purchase electricity from abroad. And the value of Turkey's domestic resources becomes evident.

Thermal Power Plants Under Construction or Planned

Name of Power Plant	Fuel	Year Put into Operation	Production (in GWH)*
Soma-B 1-2	Lignite	1981	1980
Aliaga (turbine)	Diesel fuel	1982	180
Geothermal	Natural steam	1982	90
Yatagan 1-2	Lignite	1982	2520
Elbistan-A 1	Lignite	1982	1950
Cayirhan 1-2	Lignite	1983	1800
Orhaneli	Lignite	1983	1200
Yeni Catalagzi-B	Hard coal	1983	900
Elbistan-9 2-3	Lignite	1983	2900
Soma-B 3	Lignite	1983	990
Seyitomer 4	Lignite	1983	900
Yatagan 3	Lignite	1983	1280

* GWH: 1 million kilowatt-hours

11673

CSO: 4654/128

MTA REPORT EXAMINES COUNTRY'S THORIUM RESERVES

Istanbul MILLIYET in Turkish 27 Jul 81 p 11

[Text] It has been reported that Turkey possesses the richest reserves in the world of thorium, which, it has been determined, will become one of the most important sources of energy throughout the world within the next 10 years.

According to information included in a report prepared by the MTA [Mining Research Institute], world thorium reserves outside Turkey total 490,000 tons. In contrast, it has been determined that the known reserves in one section of the thorium beds that exist in the Kizilcaoren region of Turkey alone are 380,000 tons.

At present, prototype nuclear power plants for "high-temperature, gas-cooled reactors," which use thorium as a fuel, are being built in the United States and West Germany.

The thorium report drafted by the MTA gives the following information:

"It is foreseen that commercial power plants of high capacity will be constructed based on the experience gained at these newly-built power plants. It is possible to use thorium in gas-cooled, fast-breeder reactors as well. Much more energy will be able to be produced from the same amount of thorium at these power plants."

Turkey's Situation

The final section of the report states, "The thorium resources that exist in our country will be an enormous source of energy for nuclear power plants that produce 100 times the amount of electricity that is produced today. The reserves are sufficient to last the lifetime of the facilities." It continues:

"From this standpoint, it would be appropriate to continue exploration for thorium, to follow closely developments related to reactors that utilize thorium as a fuel, and to intensify technological efforts."

Thorium Reserves

The MTA report includes figures received from the "Nuclear Energy Agency" of thorium reserves in the world. They are:

Nation	Known Reserves (in tons)
Australia	18,500
Brazil	58,200
Denmark	15,000
Egypt	14,700
India	320,000
Liberia	500
South Africa	11,000
United States	52,000
Total	<u>489,900</u>

In addition, Canada has probable reserves of 250,000 tons and Iran, 30,000 tons.

Turkey's Reserves

The MTA gives this information about thorium reserves in Turkey:

"In our country, thorium beds are located at Felahiye in Kayseri Province, Hekimhan in Malatya Province, and Kizilcaoren in Eskisehir Province. As a result of investigations made by the MTA at Kizilcaoren, it was determined that the known reserves in this area of the field alone are 380,000 tons. The figure for the entire field will be much higher. When comparing this figure with the table of the world's reserves, it can be seen how large our nation's thorium reserves are."

An Expert's Opinion

Senior engineer Dr Ali Aktogu, a nuclear scientist who is employed as an expert at the Saclay Nuclear Research Center in France that is affiliated with the Atomic Energy Commission, wrote a thesis on the topic, "Nuclear Energy in Turkey," in which he emphasized the vastness of the thorium reserves in Turkey and the importance that this element will gain in the future.

Dr Aktogu stated that Turkey will be able to benefit from thorium for 30 to 40 years and will even be able to sell energy.

What is Thorium?

Like uranium, thorium is an element that can be used as a source of nuclear power. Thorium is able to produce much more energy than uranium. However, because uranium began to be used much earlier for the production of nuclear energy, thorium has been left to the second stage of plans.

11673

CSO: 4654/128

NATION'S FIRST NUCLEAR POWER PLANT TO BE COMPLETED IN 1983

Istanbul HURRIYET in Turkish 15 Aug 81 p 15

[Article by Bulent Erandac]

[Text] Ankara--If credit flow is ensured from a Swedish-Finnish financing group, Turkey's first nuclear power plant, the Silifke-Akkuyu Installation, will go into operation in 1987.

To date, 300 million liras have been spent on construction of the Akkuyu nuclear power plant, which was begun in 1976. When completed, the plant will produce half as much electricity as the Keban power plant.

While building continues on the Akkuyu nuclear power plant, experts from the TEK [Turkish Electric Power Directorate General] Nuclear Power Plant Office and the DPT [State Planning Organization] are working on plans for a second nuclear power plant. Joint investigations have been completed to establish the plant in Sinop Province. Site selection and feasibility studies are now underway.

A principal agreement had been reached with Swedish-Finnish financing organizations for the first nuclear power plant. Foreign credit required for Akkuyu has been set at 89 billion liras. When construction bids were sought for the construction of the first nuclear power plant, a Swedish firm was awarded construction of the nuclear reactor.

Last year, the Swedish financing organizations stopped the flow of credit due to fluctuations in international economic relations and because construction was being prolonged and costs were rising. Therefore, credit negotiations were renewed. The flow of credit from the Swedish group is expected to resume following preparation of a new payment plan.

Group Bid

At the present time, France and the Soviet Union want to enter the bidding together for the contract for the second nuclear power plant. The French are involved in intensive contacts for the construction of nuclear power

plants throughout the world. Once credit negotiations to be conducted with the French and Soviets are completed, the date for beginning the building of the second nuclear power plant will become firm.

The TEK has planned to put the second nuclear power plant into operation in 1992.

In the meantime, the DPT has placed 2.5 billion liras at the disposal of the TEK to cover expenses for 1981.

11673

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BINGOL DECRIES LACK OF OIL EXPLORATION

Istanbul MILLIYET in Turkish 15 Aug 81 p 3

[Article by Hayri Birler]

[Text] It has been reported that petroleum exploration will be emphasized and all sorts of measures will be taken in order to increase domestic production in Turkey, where 15.7 million tons of petroleum will be consumed in 1981 and only 2.3 million tons produced.

According to official estimates, exploration took place on a total of 110,000 square kilometers from 1954 until the end of 1980 in Turkey, in which, other than the TPAO [Turkish Petroleum Corporation], 10 private firms -- five domestic and five foreign -- operate. There has been an increase in the amount of land under exploration, but there has been a huge reduction in the amount of exploration conducted on each unit of land. By the end of 1980, a total of 1488 wells had been drilled in Turkey, and, of the 69 corporations that had come to Turkey to look for oil, 64 had left for various reasons. Minister of Energy and Natural Resources Serbulend Bingol, who stated that the existence of oil in Turkey has definitely been established, but exploration has been extremely inadequate, reported that exploration will be made more attractive. He spoke of the new oil bill that is being drafted and said, "With the new law, we will introduce incentives and special concessions to oil-exploration firms from all countries that wish to find oil."

Bingol explained that the oil law was passed in 1954 and the first exploration permit was issued in 1955. Since that date, he said, oil exploration in Turkey has attracted a number of foreign countries. He continued:

"In 1955, exploratory work was conducted on 6,000 square kilometers. A number of foreign corporations requested and received permission to explore for oil. However, within a short time, nearly all of them gave up. This was because oil was discovered in Libya and the true reserves of Saudi Arabia's oil became known. Whereas Turkey's geographic and geological structure made oil exploration difficult, exploration in those countries was comparatively easy. The latter required less money and was

more economical for the exploration firms. On top of this, when Law No 1702 amended the oil law to limit incentives to foreign firms, oil exploration in Turkey was no longer attractive to foreign corporations."

Bingol noted that 64 of the 69 foreign firms that came to Turkey to look for oil have left and that Shell and Mobil are the only foreign companies left that consistently engage in research work. He said that the TPAO is the only domestic organization that explores for oil and that its work is extremely inadequate because of limited financial resources. Bingol went on:

"Today in Turkey, five private Turkish firms other than the TPAO and five foreign firms are conducting exploratory work. None of our domestic companies have yet reached the stage of drilling test wells. At present, we have issued 231 oil exploration permits. Of these, 156 have gone to the TPAO; 49 to private Turkish companies; and 26 to foreign firms."

Reduction in Exploratory Work

Minister of Energy and Natural Resources Bingol announced that the amount of land being explored has risen from 6,000 square kilometers in the first years to a total of 110,000 square kilometers today. The minister asserted that, although there has been an increase in the area covered, there has been a real decrease in the amount of work being done. He said:

"There has been a large reduction in exploration per ground unit. At the three levels of exploration, there has been a one-fourteenth or 7.14 percent decrease in geological research; a one-fourth or 25 percent decrease in geophysical research; and a two-fifths or 40 percent decrease in test-well drilling.

"A total of 1988 [sic] test wells were drilled in Turkey by the end of 1980. For a country that is definitely known to possess oil, this number is the number of test wells that should be dug each year."

Untouched Nation

Bingol claimed that Turkey is an "untouched nation" as far as oil exploration is concerned. He said that all necessary measures will be taken to increase exploration, raise domestic production, and establish a balance to a certain degree between production and consumption.

The minister went on:

"Turkey is truly an untouched nation in regard to oil exploration. The existence of oil in Turkey has definitely been established, but Turkey's real oil assets cannot become known through a few hundred research projects and a few test wells. To develop oil exploration, investments must be increased and work must be accelerated. We must give incentives to

every corporation, domestic and foreign, that wishes to look for oil. Our work to draft a new oil law is almost completed. With the new law, we are introducing incentive measures and special concessions to companies from every nation that wishes to search for oil. Our efforts are also supported by international financing organizations. The World Bank, this year alone, is providing \$25 million for exploration and \$62 million for the Bati Raman project."

Ongoing Exploration

Bingol repeated that it is necessary for exploration to be conducted at an increasing rate on land and at sea and that it does not matter which firms do it. He gave the following information regarding ongoing work:

"The Guney Dincer region has been discovered. This area is such that the oil extracted from Guney Dincer is equivalent to 20 percent of TPAO's total production. And production is only taking place at five wells.

"Viscous oil has been found in the Camurlu section to the west of Guney Dincer. It is believed that the reserves here are even greater than the total reserves in the Bati Raman region. Furthermore, in order to extract the oil at Bati Raman, carbon dioxide is brought 90 km from Dodan. Yet, at Camurlu, oil and carbon dioxide layers lie above one another. Work is now being conducted in this region to determine definitely the reserves. I can say that it will be completed by the end of the year."

The minister, who reported that, besides petroleum, natural gas is produced in the Camurlu region, noted that this natural gas is given to the Mardin cement factory and is the primary source of energy for production at the factory. He said that the natural gas extracted from the Thrace-Hamidabad region is, likewise, used as an energy source at the Pinarhisar cement factory. He continued:

"To date, we have not emphasized natural gas production. Yet, natural gas is a source of energy to the same degree oil is. The neglect of natural gas is the result of laws rather than custom. Our oil law did not encourage natural gas exploration sufficiently. In the new oil law, exploration, consumption, and even pricing of natural gas will be handled, and important incentives will be given."

Bingol noted that two foreign firms are exploring for oil in the Saroz Bay and in the Black Sea and the Swedish Salen Company and the Italian ENI Company are working together in Iskenderun Bay. He said, "Oil exploration at sea entails much higher costs. Foreign corporations are giving importance to our expectations in Iskenderun Bay and are making large expenditures. The hope nurtured by the foreigners has, in turn, created hope in us to a certain degree. We have high hopes in Iskenderun."

Consumption Reduced

The minister of energy and natural resources stated that total 1981 oil consumption is estimated at 15.7 million tons as opposed to production of 2.3 million tons. Bingol claimed that there has been an 18-percent increase in electrical energy consumption in industry, but only a 7-percent increase in oil usage. He said, "In 1977, per capita oil consumption was 420 kg. This figure today has fallen to 340 kg. Oil consumption has gradually begun to fall."

The minister added that all Turkey's oil consumption needs for 1981 and 1982 are being met and that all the necessary agreements are being made.

11673

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EREL URGES CONCERTED EFFORT IN OIL EXPLORATION

Istanbul MILLIYET in Turkish 15 Aug 81 p 8

[Article by Teoman Erel]

[Text] Things are going well for us again....

The total number of exploratory wells drilled by domestic and foreign petroleum firms in 30-35 years is a mere 1,500. In a statement to MILLIYET's Hayri Birler on the subject, Minister of Energy Serbulent Bingol said:

"This number for a country that is definitely known to have oil is about the number that ought to be drilled in a year."

While we have only been able to engage in such a low level of exploration, we have extracted 3 million tons of crude oil from the earth in past years.

Looking at needs, this is extremely inadequate. Only five to six times this amount would suffice. However, after producing 3 million tons per year, the nation's production fell even lower.

Time must not be wasted asking whether or not oil exists.

If there is a need, more will certainly appear. We laugh merrily remembering how we exerted ourselves in vain for years before finding rich reserves at last.

In his recent statement, the minister of energy and natural resources speaks in an easily detected optimistic manner. He reports that production is going well in the newly discovered Guney Dincer field. He announces the good news that production will be able to begin to the west of this field because there are layers that contain carbon dioxide that are very close to the field of viscous oil that is very difficult to extract. He uses the word, "hopeful," for the offshore test well being drilled by foreign firms at Iskenderun. And he notes that the World Bank is providing credit for the project of extracting the viscous Raman oil using carbon dioxide that will be brought in from a distance of 90 km.

Optimism on such subjects must be preferred to pessimism so long as it does not turn into daydreaming.

In the cigarette affair, we all experienced how pessimism made the situation more negative. We believed for years that it was impossible to work at full capacity. We stressed the negativism of our being unable to meet our own needs for cigarettes even though Turkey is a tobacco-growing nation. We believed that things could not get better. We even considered issuing permits to grow the Virginia variety of tobacco, which is the tobacco of our strongest rival.

We were resigned to failure, saying that foreign firms were the ones who could manage this business very well.

The opinion on the subject of cigarettes during that period was:

"We are unable to accomplish anything. Let us change our entire approach. Let us attempt the exact opposite."

Thanks to the 12 September administration, cigarette production has today reached the desired level. It is even looking at exportation possibilities. Machine pieces and spare parts, for which we waited for months causing production to stop because we felt for years they "could only be obtained from abroad," are being manufactured quickly by the Machine and Chemical Industry factories.

Now, persons who work in this area -- and many of them are ones who also worked there in the past -- are extremely optimistic.

They say, "We have done it. What else can we do?"

We have seen the same situation with oil. A pessimistic view that spread as far as some Turkish oilmen was:

"Because of problems that would be difficult to overcome in the geologic structure of our land, we cannot find the hoped-for oil. For this reason, it is agreed that adequate amounts of oil cannot be extracted to offset large investment expenditures and monetary losses, and it is necessary to use the money for these investments for other sources of energy."

Now, this opinion has been displaced. The discovery of oil at Guney Dincer has also helped to reduce the pessimism.

Now, the time has come to engage in work to increase production.

As with the cigarettes, the question, "What else can be done?," is beginning to be asked, and steps are being taken toward optimism.

Great hopes are being attached to encouraging foreign firms. This is only one of the things to be done. However, saying, "Foreigners will come," we must not neglect work we can do ourselves.

The fundamental hope must always rest in "ourselves." We must not allow the tragedy of having our own personnel stolen from us. The foreigners in whom we put our hopes saying, "Come and extract our oil," come and get our people and take them back to their own countries. One can tell from the large amounts of money paid Turks that the foreigners trust the Turkish employees and put their hopes in them.

I have before me the statistics of the number of petroleum engineers, geologists, and geophysicists who left our national corporation, the TPAO [Turkish Petroleum Corporation] between 1975 and 1980. In 6 years, 68 employees left (1 in 1975; 1 in 1976; 2 in 1977; 4 in 1978; 17 in 1979; and 42 in 1980.) Most had more than 10 years' experience. All but a few went abroad. Let me list the countries to which they went: 8 to Canada; 8 to Libya; 6 to Algeria; 5 to the United States; 2 to England; and 2 to France.

This means that our oilmen have a much better status on the world market than, for example, our soccer players. Our players' photographs are not constantly being taken when they are training abroad, but our oilmen are extracting oil there.

If our strengths were collected and amassed, if we made the necessary sacrifices, our own experience and assemblage would very well determine what to do. It would decide if a master plan should be drafted, if equipment shortages should be eliminated, if emphasis should be given studies and projects to increase production as well as exploration.

Very serious, consistent, and significant proposals on these subjects exist in our dusty domestic reports and in the valued minds of our experienced personnel.

It would be sufficient if we wiped off the dust and rolled up our sleeves.

11673
CSO: 4654/131

AGRICULTURAL EXPORTS INCREASE

Nicosia THE CYPRUS WEEKLY in English 28 Aug 81 p 8

[Text]

Agricultural exports last year expanded slightly and reached nearly £34 m. representing 22.8% of the island's total domestic exports.

The major products exported were potatoes (£12.7m) citrus (£8.2m.), grapes (£4.5m.) and vegetables (£4.m.).

The latest "Agricultural Statistics" report says there were some 44,500 people employed in the agricultural sector last year, about a fourth of the total of those "gainfully employed" in Cyprus.

Value

The contribution of the sector to the Gross Domestic Product was 11% at current factor cost while at constant 1973 prices remained at the previous year's level of 12.7%.

The value of crop production rose to nearly £73 m.

-- the result of a 3.7% increase in volume and a 7.9% rise in prices.

Rainfed crops favoured by weather conditions showed high performances. The volume of cereal production rose by 22.4% to 93,000 tons, mainly due to increased barley production (80,000 tons). Grape production reached 205,000 tons while the production of olives showed a tremendous increase of nearly 43% and reached 15,000 tons.

All vegetables, apart from potatoes, declined in volume by an overall 17.3%. This is attributed to rising production costs and lower foreign demand, the report says.

Potato production rose to 188,000 tons (valued at £13.3 m.). There were 21,500 tons of tomatoes and 10,600 tons of cucumbers. Prices of vegetables rose by an average of 20.3%.

Citrus production at

98,900 tons was down by 2.2% and was valued at £6.8 m. The decrease was caused by a 10% drop in oranges while there were more lemons and grapefruit.

Exports of citrus fell by 10.4% in volume to 69,000 tons.

In livestock, total meat production remained at the previous year's level with increases being registered in beef and poultry and a slight decrease in pork, sheep and goat meat.

Meat prices

Meat prices rose by an average of 11%. Milk production reaches 70,750 tons, up 8.9% over 1979. This was mainly attributed to cow's milk which increased by 19%. Milk prices went up by 6.8%.

Cyprus produced 8,345 thousand dozen eggs, "a marginal" 45,000 dozen more than the previous year.

BRIEFS

IRAQI OIL IMPORTS--Cyprus will continue to get its supplies of crude oil from Iraq because it finds it the most suitable for the island's needs, an official statement said yesterday. It was in reply to suggestions in the Opposition daily 'Simerini' that Cyprus could get cheaper oil from Egypt. The statement said Iraq sold its oil at 36 dollars a barrel (and not 38 dollars as alleged by the newspaper) but Cyprus had to pay 93 cents a barrel on top as pipeline fees. Iraq has promised to give regular supplies of crude oil to Cyprus and this is as important a factor as the price of oil itself, the government statement said. It said Egypt was not a member of OPEC and the price of its oil fluctuated according to tendencies on the spot market. For example until last April Egypt sold its oil at more than 40 dollars a barrel. In addition, Egypt used large tankers which could not enter Larnaca harbour. [Text] [Nicosia THE CYPRUS WEEKLY in English 28 Aug 81 p 28]

CSO: 4600/198

WEST BERLIN SENAT DETERMINES BUDGET CUTS

West Berlin DER TAGESSPIEGEL in German 26 Aug 81 pp 1-2

/Text/ Yesterday the Senat adopted a program of budget cuts amounting to DM3.6 billion. It is designed to close the gap expected in the city's fiscal planning through 1985. The 1982 Land budget will already be relieved in the amount of DM500 million. According to Governing Mayor von Weizsaecker more cuts totaling about DM300 million will still have to be made in the 1982 budget. At a press conference Weizsaecker said that the dimension of the financial crisis is much greater than the public realizes and therefore compels unprecedented cuts. At the same time the Senat does not intend to proceed arbitrarily. "There will be no haphazard cuts."

Weizsaecker emphasized that the Senat would do everything possible to return to a balanced budget and thus regain scope for political arrangements and action. Shortage of money must not be equated with political stagnation. The governing mayor announced that the list of cuts is now being discussed by the various senators and representatives of employers federations, labor unions and personnel advisers. Weizsaecker thinks that the difficult financial situation is due mainly to the decline in tax revenues, the slower rise in federal subsidies, increasing energy and construction costs as well as the steep rise in social services.

The following cuts (briefly reported earlier) were determined:

In the years 1982-1985 some 3,500 vacancies occurring in the public service will not be filled. Half this loss is to be suffered by the districts, the other half by the Senat administrative agencies. For security reasons the police and the administration of justice will lose somewhat fewer personnel. Next year 2,000 jobs are to be eliminated (about 2 percent of the total personnel in the public service), 500 each in the succeeding years. Only from 1983 on will the personnel reductions affect teachers also. In this connection Finance Senator Kunz pointed to the decline in enrolment. The standard of teaching would therefore not be impaired.

The construction of new schools already planned will be postponed, that of public office buildings halted altogether until 1985. Expenditure for expert opinions, publications and documentations as well as senators expense accounts will be cut by 10 percent. No longer to be awarded will be educational grants and similar payments

to school and college students without legal claims for the duration of practical training by agencies of the Land Berlin.

Hiring Ban Lifted

According to Finance Senator Kunz the hiring ban imposed recently by the interior senator has been lifted consequent upon yesterday's decisions on personnel issues.

Resources in the sector family and youth will be shifted to comply with the meaning of the government program on family policy.

No More Free Children's Day Care

As of 1 January 1982 children's day care centers will no longer be free of charge. Parents will once more have to pay fees graduated according to income. The Senat expects this measure to yield DM120 million in revenues through 1985. Also as of 1 January 1982 loans for beginning families are to be granted only up to a specific income limit.

To be reviewed are earlier regulations on exemptions from repayment granted according to the number of children born and supplementary loans. The savings to be realized are estimated as DM150 through 1985.

Education Subsidies From End 1982

The education subsidy promised in the CDU election program and the government statement to parents who give up work to bring up small children, is to be gradually introduced as of November 1982 and paid according to family income.

To be stricken is the expansion of playgrounds supervised by educators. In future young visitors to Berlin Zoo will have to pay an entrance fee. Sports associations also will have to make their contributions to the cuts: In future they will receive fewer subsidies, with the exception of the promotion of national and international sports events.

Affected by the postponement of planned public building projects are, among others, the new science center, the traffic museum and the concert hall for chamber music. On the other hand DM2 million will be made available in 1982 for the remodeling of the traffic museum rooms in Trebbiner Street and for job opportunities.

No Reconstruction of Ephraim Palace

Altogether canceled are the plans for the reconstruction of the Ephraim Palace in the vicinity of the Higher Regional Court. Asked whether the Senat would be willing to return to the East those parts of the Ephraim Palace facade located in West Berlin, as the East Berlin authorities are rebuilding the palace on its original site, the governing mayor said that this possibility could not be excluded.

Cuts in Aid to the Handicapped

From 1982 services rendered as per the law on aid to the blind and helpless will not be automatically adjusted annually, but only as per the provisions of the federal social aid law. Berlin Transport undertaking special fares for the handicapped also will in future be granted only within the framework of federal standards. A saving of DM42 million is expected to result from these cuts in 1982. At the same time DM14 million will be spent in 1982 on dial-a-bus services for the handicapped.

Fewer Hospital Beds

By the end of 1982 there will be 2,400 fewer hospital beds. Further cuts will be made in subsequent years.

No Increase in Dog Licenses

Ticket prices for the German Opera, parking fees and rental fees for small gardens will be raised. On the other hand there will be no increase in the cost of dog licenses. The finance senator had proposed doubling the dog license fee to DM240 but admitted that he had been "much impressed" by the flood of letters protesting the rise.

Higher Charges and Fares

Also enacted were increases in charges for gas, sewage and garbage collection as well as higher fares. As we reported earlier, Senator Wronski published his recommendations last Monday. He proposes that charges for gas should be raised by 20 percent as of 1 January 1982, those for sewage by 11 percent. Fares are to rise by 9 percent on 1 July 1982.

"For the time being" no reduction in the multiplier of the trade tax is envisioned because this would cost the Berlin budget more than DM1 billion through 1985. In 1978 the Berlin Commission had suggested to the Federal President a lowering of the trade tax in several stages. The first stage began on 1 January 1982.

New Buildings and Repairs

In the sector of housing construction the Land modernization program is to be limited from 1982 on so as to favor repairs and new building. Finance Senator Kunz did not cite precise figures but spoke of about DM25 million to be allocated to the repair program.

50,000 Apartments Planned Through 1985

The governing mayor indicated the Senat goal to make available a total of 50,000 apartments by 1985; however, "no less than 40,000" would be in new buildings.

Study of Further Cuts

Seeking further possible cuts to meet the presumable budget deficit in 1982, the Senat placed various study contracts. To be investigated, among others, is the

question whether the pension regulations for members of the Senat and the district offices are adequate, whether it might be possible to have fewer municipal councilors, whether car pool services for city agencies operate properly, whether the subsidy to the voluntary health insurance scheme is still required. Also to be reviewed is the free removal of Christmas trees and bulk trash by the garbage collection service.

Parliamentary secretary of the SPD fraction in the assembly Schneider commented that the Senat's cuts were "obvious signs of a conservative trend in Berlin." The Senat, he claimed, had "largely wasted" the opportunity of making a virtue out of necessity and using the needed cuts for political arrangements. The measures announced with regard to family policy "signaled a return to the socially irresponsible conditions of the 1950's."

The planned fare increases (an average of 9 percent as of 1 July 1982) were an "attack on the attraction of public transport in the city and may well initiate an adverse turn in Berlin's traffic policy." As regards housing, the political learning process was likely to be brought to nought. Obviously the CDU Senat intended to reduce repairs and modernization in favor of new buildings. Schneider announced that the SPD fraction would submit its own proposals for cuts amounting to DM3 billion at the end of October.

By contrast CDU fraction chairman Diepgen welcomed the program of cuts as being "courageous and consistent," especially with regard to municipal enterprises and the investment sector.

11698

CSO: 3103/427

INCREASED TAXES TO FUND EMPLOYMENT PROGRAM

West Berlin DER TAGESSPIEGEL in German 27 Aug 81 pp 1-2

/Text/ The federal ministers for finance, economics and labor, Matthoefer, Graf Lambsdorff and Ehrenberg, met yesterday in Bonn and achieved agreement on various items of the Federal Government's employment program and the money needed to finance it.

According to the Ministry of Finance the three ministers agreed measures in the amount of DM1.525 billion.

A total of DM600 million is to be found by raising the champagne tax from 1 April 1982 and charging the full rate of value added tax (13 percent) instead of the present 6.5 percent for printed materials with the exception of daily newspapers, and for all works of art and collectibles. This amount is to help finance the employment program. No agreement was reached on the financing of the remaining DM900 million.

In view of the persisting disagreements, the Federal Cabinet will have to decide how to finance this expenditure. Possibly next week's coalition negotiations will arrive at an interim proposal. Talks with the Federal Chancellor will take place next Sunday evening.

Up for discussion basically are all fiscal proposals so far submitted, ranging from the surcharge to the increase in the heating oil tax, the further reduction in the immigrant workers bonus and cuts in services to the unemployed. According to the latest reports there is now no chance that the tax deductibility for entertainment will be halved and the immunity from taxation of the daily meal allowance for employees removed altogether. The FDP had too strenuously resisted these proposals.

Currently the champagne tax, accruing entirely to the Federal Government, yields about DM500 million. The tax increase is to yield another DM100 million, and DM500 million are to be obtained by the raise in the rate of the value-added tax.

The three ministers submitted the following proposals for the employment program, which still require the approval of the Federal Cabinet and, to some extent, of the Laender:

1. Extension of the loss carry-back from 1 year to 2 years while retaining the DM5 million upper limit. The loss carry-back permits firms to offset the profits of 1 year by the losses recorded in the following year and thereby gain a tax advantage (DM42.5 million).
2. Energy conservation in federal buildings (DM200 million)
3. Raising the allocations to federal motorways (DM300 million)
4. Construction of rail cars for the Federal Railway (DM100 million)
5. Public passenger transport in urban areas (DM188 million)
6. Microelectronics (DM100 million)
7. Communication technology (DM30 million)
8. Extending to the Elbe and Weser the Rhine-Lake Constance program for keeping the water free of pollution (DM250 million)
9. Fighting oil pollution on the high seas and in coastal waters (DM15 million)
10. Allocation to the Reconstruction Loan Corporation (DM200 million)
11. Export promotion (DM100 million).

The ministers also recommend that something be done to help the construction industry. No proposal was submitted whether write-off terms should be improved for business buildings only or for the construction of apartment buildings also. These measures would increase the dimension of the program and the persisting fiscal gap. Ministers Matthoefer and Lamsdorff are discussing the program with the Land ministers today.

Authors Federation Contemplating Court Action

In the opinion of the chairman of the Federation of German Writers Engelmann, writers are the chief victims of the planned tax increase. They would have to accept a reduction in their incomes because publishing houses would use the retail price minus the value added tax as the basis of royalties. Engelmann said his federation was contemplating going to court and studying the possibility of lodging a complaint with the Federal Constitutional Court.

Board chairman Fisher of Guetersloh Bertelsmann AG described the proposal for raising the value added tax on printed materials as "inimical to culture, dubious from the aspect of the media and irresponsible in terms of consumerism." He spoke of an "intolerable restriction" of the citizen's right to information and education.

CSU Talks of FDP Collapse

The interim result achieved yesterday by Matthoefer, Graf Lamsdorff and Ehrenberg with regard to the efforts to draw up an economic and employment program and to

find money for it was sharply criticized by the Bundestag opposition. CSU deputy Glos commented thatm by agreeing to two "enormous tax increases" the FDP was once again about to capitulate to the SPD's spending and redistribution wishes. The FDP's "collapse disguised as a compromise" would help the employment goals just as little as did the billion programs of recent years.

FDP: Test for the Coalition

FDP general secretary Verheugen pointed out yesterday that the 1982 budget represented the "acid test for the social-liberal coalition" and, in connection with the budget decisions, stressed the necessity of a shift in social policies. Cooperation between a democratic socialist party and a liberal party was by no means easy, said Verneugen in an interview with WIRTSCHAFTSWOCHE. Verheugen repeated the FDP's firm rejection of the supplementary tax. This was not a suitable tool for improving the investment strength of business firms. For social and energy considerations he also rejected taxes on heating oil and natural gas.

"A Parting of More Than Minds"

In evident demarcation from the FDP, chairman of the Social Democratic Union for Employee Issues Rohde yesterday warned against turning away from social-liberal principles. In an article published by the SPD-PRESSEDIENST he wrote that "a parting of more than minds" would ensue if the currently much cited term "return" were actually to signify retreat to the historical positions of capitalism and involve the abandonment of the obligation to secure jobs and maintain social security.

Less Unemployment Money When Period of Notice Is Waived

At the end of a court action with the German Trade Union Federation as the plaintiff, the Federal Social Court decided that employees who voluntarily waive the longer period of notice due them and are compensated by the employer, thereby cause their subsequent unemployment without good reason. In that case the employment exchange may therefore deny unemployment compensation for 4 weeks. As per the court's statement this also applies if payment of compensation is based on an agreement to safeguard employees against the consequences of rationalization (reference No: RA 58/40).

11698

CSO: 3103/427

FOREIGN INVESTMENTS DOWN 5.4 PERCENT

Madrid ABC in Spanish 21 Jul 81 p 24

[Text] Madrid--Foreign companies invested 32.513 billion pesetas in Spain during the first 6 months of this year. The most capital was invested by the United Kingdom, Switzerland, Germany and foreign businesses located in Spain, in that order, according to official data. The change in these figures since last year was influenced heavily by the new foreign investment legislation, which lent more flexibility to the situation.

The 32.5 billion pesetas represents a 5.4 percent drop from last year. However, it must be noted that the figures for 1980 and 1981 do not correspond exactly, because the new foreign investment legislation modifies the criterion for defining investment as such. The criterion of nationality is replaced with that of residence, so physical persons residing here who invest with ordinary pesetas are excluded from this category. Moreover, the expectation that the new legislation simplifying procedures would come into effect, caused investors to hold off on their investments.

During these first 6 months, 346 investments valued at 32.513 billion pesetas were authorized, as opposed to 277 last year, valued at 34.354 billion pesetas. The increase in authorizations from 1979 to 1980 was similar to that between the first half of 1980 with respect to 1979.

It should be pointed out that the total number of investments proposed increased by 25 percent over last year, and the average volume of investment per proposal has dropped because of the new foreign investment legislation. By simplifying the procedure and shortening the time required for processing requests, businesses are encouraged to present proposals more tailored to the needs of the moment, according to the same sources.

The United Kingdom, with 6,876,555 pesetas, has invested more than any other country in Spain, with an increase of more than 5 billion over last year. It is followed by Switzerland, with nearly 6 billion; Germany, with over 4 billion; foreign businesses with offices in Spain, with nearly 4 billion; and the United States, with more than 3 billion pesetas.

The growth of United Kingdom investment in Spain was spurred by the boom in foreign investment in the financial sector, and specifically, during this semester,

by a strong buying campaign in the banking sector. As far as sectors are concerned, foreigners have given preference to other manufacturing industries, which account for 21.80 percent of investments; financial institutions, insurance, services to businesses and rent account for 21.70 percent; commerce, restaurants and hotels, and repairs account for 18.30 percent; metal processing industries and precision mechanics account for 14.80 percent; and non-fuel mineral extraction and processing, byproducts and chemicals account for 13 percent.

It should also be noted that Spain's investment abroad during the first 6 months of the year amounted to 16,769,489 pesetas, with Chile, Mexico, the United States and Argentina being the preferred countries for Spanish operations.

8926

CSO: 3110/147

INFLATIONARY TRENDS SLIGHTLY UP FROM 1980

Madrid ABC in Spanish 21 Jul 81 p 24

[Text] Madrid--The consumer price index jumped by 1.9 percent this past July, according to provisional statistics compiled by the National Statistics Institute, pending studies by the provincial pricing commissions. This result means that the index has increased by 8.3 percent so far this year.

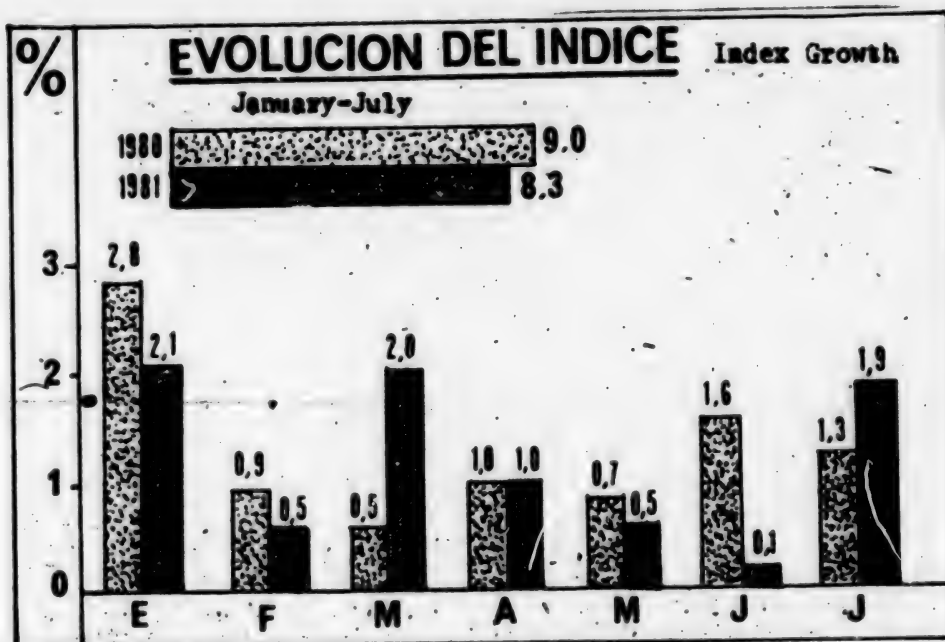
It should be noted that the price index rose by 1.3 percent in July of last year, and that in the first 7 months of 1980 the increase was 9.0 percent. The difference between the two years is 14.3 percent.

By groups, the increases in the July index are as follows: food, 3.5 percent; clothing and shoes, 0.3 percent; housing, 1.6 percent; housewares and home services, 0.1 percent; transportation and communications, 2.2 percent; recreation, sports and culture, 0.3 percent; and other expenses, 0.7 percent.

So far this year, the variations in the different groups (until July) have been as follows: food, up 6.2 percent; clothing, 5.4 percent; housing, 12.8 percent; housewares and home services, 6.7 percent; medical services, 8.1 percent; transportation, 12.0 percent; recreation, 7.3 percent; and others, 10.3 percent.

As can be seen in the above figures, July has followed its traditional trend as an inflationary month. The increase over the last month's figure, which was 0.1 percent, was substantial. It appears that the main reason for the surge in prices lies in food and transportation, the logical result of recent fuel price hikes.

As for the year-end totals, prospects are still uncertain. They will depend on new factors, such as the Interconfederal Standard Agreement, the approval of farm prices, etc., which will help contain inflation. On the contrary, unfavorable developments in foreign trade, the plunge of the peseta with respect to the dollar, and agricultural losses resulting from the drought, have given rise to fears that inflationary tension will be renewed. In addition to all that, the results of the OPEC meeting must be taken into consideration, in a year when it was expected that fuel price increases would be moderate.



8926

CSO: 3110/147

BULGARIANS CALL FOR MORE COMPETITIVE TURKISH PRICES

Istanbul DUNYA in Turkish 8 Jul 81 p 1

/Text/ Angel Angelov, the General Director of Industrial Imports and one of the officials of the Bulgarian Trade Delegation which has come to our country in order to make investigations of certain firms and economic sectors, has advanced the opinion that the prices of Turkish textile products must be fixed in a more competitive manner.

Yesterday in Odakule the Bulgaria Trade Delegation, continuing its examination of our products from certain firms, gathered information from our producers about their wares. The Bulgarian Trade Delegation, which is inviting Turkish firms to participate in the Turkish Fair scheduled for October in Sofia especially to make our products known, is examining our goods in eleven separate fields. Officials of the Istanbul Chamber of Industry list the distribution of goods which the Bulgarian Delegation is investigating in the following form: "metallurgy and marble; every kind of machine, presses, lathe-set benches; engineering, construction projects; wheat, cereals, agriculture and transportation; every kind of electric tool and material; woven cloth, leather clothing, cotton thread, and every kind of textile product."

Particular attention is being given to woven cloth, leather clothing, cotton thread and every kind of textile in the places where Turkish producers are exhibiting their wares. Angel Angelov, an official of the Bulgarian Trade Delegation charged with investigating these products, who is also General Director of Industrial Imports, summarized his views on Turkish goods to our newspaper in this way:

"At the start let me make it clear that there is a textile industry in Bulgaria which is likewise engaged in export. What we particularly want to purchase from Turkey is ready-to-wear clothing products and those textile varieties which we do not ourselves manufacture. But I do not think that this kind of import link can be established during these meetings of ours, because this is only our second visit to Turkey as a delegation. Our idea is to advance our own selection of consumption goods by means of imports. I am urging those Turkish exporters who have met with me to participate in the Turkish Fair, which will be organized in Bulgaria at the beginning of the month of October, so that they can market their products and make them known in broad context.

"Participation in this fair will secure great contributions to the common advancement of both Turkish and Bulgarian trade. On this subject by the way, another point on which I see some use in speaking out is concerned with the prices of Turkish products. Your prices for Turkish products must be brought into a more competitive position. By taking a more competitive position I do not imply that prices are too high or too low. It is simply the necessity to establish a price with an eye to conditions in the world market. On this matter of price I believe that ties with Bulgaria will develop in a much more positive direction when you make your calculations according to the world market. As for the quality of Turkish products, it is of a state that it can be generally well regarded, although this is not the case for all firms. But we shall always prefer to buy the higher quality textile products which are in accord with world prices."

Officials of the Istanbul Chamber of Industry indicate that the number of firms which have met with the Bulgarian Trade Delegation has exceeded one hundred, but that they still have no information as regards the size of the financial commitment concluded by these firms. In fact, they express the speculation that no financial deal has been made.

9793

CSO: 4654/106

KETENCI CONTINUES EXAMINATION OF SAC PERFORMANCE

Istanbul CUMHURIYET in Turkish 17 Jul 81 p 5

/Article by Sukran Ketenci: "From the worker's world: The Transitional Period"/

/Text/ For the period during which strikes are forbidden and union activities suspended, the payment of advances to workers and the bringing in of wage increases are viewed as objectionable, and with law number 2364 the job of renewing collective agreements has been given to an impartial body known as the Supreme Arbitration Council /SAC/.

With a system of what is technically called "compulsory arbitration" for the renewal of collective agreements, the Supreme Arbitration Council has felt the necessity, in the name of impartiality, of first establishing certain basic guidelines. By these basic guidelines, however, wage increases contained in new certified agreements have remained very much below those of earlier agreements certified for the same period, and an inequality has been created among workers. Another result of the same practice has been a differentiation between unions, with a significant wage differential having arisen between workers who belong to member unions of the Confederation of Revolutionary Worker Unions /DISK/, the activities of which have been completely suspended, and the workers who belong to member unions of the Turkish Confederation of Labor /Turk-Is/, the activities of which are partially free. A differential has even arisen among workers of the same union; for example, in the hourly wages of Tekel and Cay-Kur company workers of the Tek Gida-Is union who received the same wages up to now and who enter work by the same door, start work by punching the same timecard, and work in the same building, a significant discrepancy has been produced such that at Tekel the average is 150 to 160 lira while at Cay-Kur the average is 100 to 110 lira. As for arrangements concerning social rights and working conditions, rights won by collective agreements through years of experience have been pushed to one side, while only the minimum rights brought by law and by this new labor regime have been used as criteria.

What this independent body has been able to achieve in the name of impartiality and with arbitrary guidelines has fallen short of what a free bargaining system was able to achieve in the face of the proliferation of unions, yellow unionism, and uneven union development. But this transition period, this seven month-long regime of the Supreme Arbitration Council has brought out one truth:

This truth has undermined the mistaken assumption which had almost taken root with the successful PR work of management, namely, the assumption that "the workers are the chief obstacle to economic development." A research report published last week and prepared by the management union MESS, which is involved with metals and is among the most advanced branches of labor in terms of workers' rights, is very interesting: During the past five years, in nine large operations, workers' wages have fallen by 15 percent in real terms; and the share of workers' wages in total cost has been determined to be 12.5 percent, well below the world average. Now if research along the same lines were carried out in respect to the new collective agreements certified by the Supreme Arbitration Council, and if this research were extended to all work sectors, it would be seen that both real wage increases and their share of total cost have fallen in more significant measure.

The fact of the matter is that the thesis expounding how workers' rights obstruct industrial development and how industry has not been able to progress due to discord and strikes, is bankrupt. Seven months of certifying agreements as to their conformity with economic programs and ten months of strike-free, issue-free labor harmony have not been of any use whatsoever in helping rescue lopsidedly developed industry from its impasse. On the contrary, the goods in the hands of these organizations which regulated the markets for internal consumption have become unsalable as the purchasing power of the people and of the workers has fallen. Now they imagine that they can be saved from inventory loss with the lifting of the National Security Council's prohibition on firings, with the elimination of redundant workers, and with cutbacks in production.

Meanwhile as time passes and as the number of agreements requiring the certification of the Supreme Arbitration Council increases, problems connected with the "basic guidelines and arbitrary, unilateral certification" are increasing. Above all, agreements have begun to be slower than frozen disagreements. There are now agreements from 1979 delayed due to problems with authorization. There are even more agreements from 1980 which require completion. Moreover, the basic guidelines have become impossible to apply. In some divisions of labor even the employers have rebelled against the stipulations of the basic guidelines. They have said, "We can't get labor to work under these terms. We want these guidelines bypassed in these respects." In these divisions of labor the basic guidelines have been bypassed in the measure desired by management. In some divisions of labor, however, and especially in social rights, affairs have deteriorated to a level below the basic guidelines and below rights won in the past. The problems of continuing the unilateral system of collective agreements outside the free bargaining system are growing greater every passing day.

Any step made in the direction of facilitating a shortening in the transition period gains a very great importance and meaning for the shortest and soundest passage to a free collective bargaining order, and for labor peace.

9793
CSO: 4654/106

MUMCU ASSESSES SHIFT IN MEANING OF 'NATIONALIST'

Istanbul CUMHURIYET in Turkish 18 Jul 81 pp 1, 7

/Article by Ugur Mumcu: "Observation: The State Cannot Do it!"

/Text/ Foreign companies and our native private enterprises have lined up to get oil exploration permits. This means that private capital, both native and foreign, expect that there are oil reserves in Turkey.

Well, one might ask:

'Where were you earlier?'

We all remember that earlier those groups who styled themselves "Nationalist" came out violently against any suggestion that there were sufficient oil reserves in Turkey, and they accused anyone starting a push for "national oil" of "Communism."

It is very strange indeed that those who say, "Let the state find the oil and produce it," are called "Moscow's corrupt Communist lackeys," while those who in reference to the same oil say, "Let the foreign companies search, find, and sell it," are called "Nationalists and establishmentarians".

Who knows how foreign businesses rewarded the right-wing press in those days with advertising revenue in return for publishing a smear campaign against those who were advocating a struggle for national oil?

I wonder where those people are now who used to say, "It is just not for the state to make cigarettes"? And here we have cigarettes being produced in the state factories, and as the bands of "multinational" cigarette smugglers retreat from the black market they created, the very same state is even beginning to sell cigarettes abroad. So the state can't do it, can't manage it, eh? This proves the opposite.

Oh, but no, the state can't do it!

And then as soon as the working of the mines is taken over by the state, an increase in production becomes manifest.

Private business certainly makes a grab for the areas of high turnover and high return. Oil, for example, is one such high profit area for private business. And cigarettes, too, right? And mining, right? Of course!

What are they up to? Don't worry that they don't have their plans all set. Oil, you say?

"Sir, the state can't undertake the search for oil."

Mining?

"The state can't work the mines."

Cigarettes?

"The state can't manufacture cigarettes."

This qualification is manipulated in such a way by private entrepreneurs and foreign capitalists, by the bureaucracy and the press, that it is actually effective throughout the state. In the state bureaucracy you have ringers for the foreign oil companies; these men of theirs are placed in parliament; and they are even made ministers!

If there are oil reserves in Turkey, then there were oil reserves yesterday, too. Why, back then, did you keep saying, "No, sir, none"? Today it is clear why they said "no oil." The reasons are obvious at last.

The oil companies which are withdrawing from the Arab countries have begun to crowd onto Turkish soil which in years past they held on to as a "spare reserve." Thinking that the lie about there being "no oil in Turkey," which lie they had secretly and stealthily worked to propagate, was forgotten, they are laboring now to make their investments.

What do you have to say to these big-shot groups of multinational, greedy, reactionary, opportunist, collusionist, left-over followers of Abdulhamit and Vahdettin who stand for private enterprise and who are guaranteed to put their minds to profiting foreign companies which are, I repeat, "foreign"?

Let the years pass without the state's looking for oil on our own land; give away the rich mineral deposits to foreigners; sell the foreigners the barite mines so that a handful of people can strike it rich selling the barite back for use in drilling the wells found by the state; and then let all these deeds be called "nationalism"!

If, in years past, time had been taken to search for oil, the Turkish Republic today would not have been reduced to the condition of begging handouts from foreign countries. Yes, that's right!

"Nationalism" means to love one's country and one's people; it does not mean protection for the interests of foreign oil companies, or manipulation by them, or servitude to them.

9793

CSO: 4654/106

ARCHITECTS GIVE PUBLIC HOUSING LAW QUALIFIED SUPPORT

Istanbul CUMHURIYET in Turkish 19 Jul 81 pp 1, 7

[Text] ANKARA (Cumhuriyet Burear)--In disclosing the Chamber's views concerning the Public Housing Law, Ali Balamir, the General Administrator of the Chamber of Architects - affiliated with the Turkish Union of Chambers of Architects and Engineers (TMMOB), has stated that "with the law, tax evasion which is being perpetrated on urban properties can henceforth be prevented in significant measure." Balamir said that one of the law's outstanding defects is its exclusion of local administrations from the process of housing production and inspection. The Administrator of the Chamber of Architects made it clear that at the stage when regulations are prepared to be brought out as required by the law, avail must be made of the accumulated knowledge and experience of the Chamber of Architects.

Chamber of Architects Administrator Balamir disclosed the Chamber's views on the Public Housing Law to Cumhuriyet as follows:

"The Public Housing Law which is now going into force contains much more positive provisions than the bill previously proposed by the Ministry of Redevelopment and Housing. There is no doubt that possibly the most important of these is the provision which reapplies old article 38 of the Constitution (viz., in establishing expropriation prices, the value of the immovable property as given in the last tax declaration made before the proclamation of the areas for the establishment of public housing will be taken as a base) which was earlier annuled by the Constitutional Court. In the case that this provision is applied, the tax evasion which is being perpetrated on urban properties can henceforth be prevented in significant measure.

"The same article also speeds up the procedure of expropriation in stating that after a place has been proclaimed as an area for the establishment of public housing, the right to expropriate comes into being; and therefore, it aims to prevent land speculation. This also appears as a very positive article which can bring to life the related article dealing with the office for vacant land which has up to now remained ineffectual.

"Yet another article in the law, the importance of which cannot be ignored, obstructs the possibility of converting properties which are to be expropriated into the private possessions of a few firms."

Criticisms

Chamber of Architects Administrator Ali Balamir, in indicating that side by side with the positive approaches are found provisions which he interprets as "deficient and even mistaken," made the following evaluation:

"The most important of these is the absence in the law of rental housing construction to be produced by the state, earlier proposed by our Chamber as one alternative in solving the housing problem. According to the law, the state subsidizes the housing sector with the resources of SEE /State Economic Enterprises/ by making a not inconsiderable cut into the expense budget.

"Because as a solution real estate is selected for condominium housing and a portion of the housing units remain unsalable, a significant part of this state resource, without flowing back again, is lost and gone. With a rental housing system, the housing fund could have been brought, after a certain period, to the condition of a self-perpetuating financial resource.

"Also among the important deficiencies of the law is the complete exclusion of local administrations from the process of housing production and control. Municipalities have been deprived of the possibility of carrying out even the functions given to them by law."

However, Ali Balamir made the following general evaluation of the public housing law:

"Relating to the law, we can conclude as follows: In our opinion, despite its still significant deficiencies, the public housing law in contrast with the earlier proposal of the Ministry of Redevelopment and Housing is a much more positive law."

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CSO: 4654/106

CDU'S KIEP TO OPPOSE DOHNANYI IN HAMBURG'S 1982 ELECTION

West Berlin DER TAGESSPIEGEL in German 25 Aug 81 p 1

/Text/ CDU/CSU Bundestag fraction deputy chairman and former Lower Saxon Minister of Finance Kiep intends to stand for election as the CDU's top candidate and mayoral candidate in next year's Hamburg municipal election. He announced his candidature yesterday at a press conference in Hamburg.

The evening before the CDU Land executive board unanimously adopted a resolution which includes the following statement: "The Hamburg CDU is very pleased indeed that Walther Leisler Kiep responded to its appeal and will be standing as its mayoral candidate in Hamburg." At the same time the Land executive board expressed its "complete understanding for the CDU/CSU Bundestag fraction's wish that Herr Kiep will give up his office in Bonn only if the Hamburg voters elect him mayor."

Kiep confirmed that he will continue to hold office in Bonn. The party and the Bundestag fraction, he said, had promised him their help. "Hamburg needs a new mayor, not a new leader of the opposition," said Kiep. In this connection he also pointed out that the SPD politicians Vogel and von Dohnanyi had acted precisely the same way.

Kiep welcomed his new charge and thought he had a good chance of being successful in the municipal election. He would begin his Hamburg campaign with the watchword "liberal renewal." It was his aim to see that political decisions in Hamburg are once again taken by the assembly and its elected Senat, not by some or the other party committee.

Later the same day Kiep told journalists in Bonn that he was "prepared without any reservations" to accept coalition offers from the FDP. However, in view of the still unsolved personal problems in the Hamburg FDP he was not sure whether the party was able to extend any such offer. The CDU would not make its campaign statements dependent on any coalition offer. Instead it would make a change of government its political goal. "Should we be supported by other parties, possibly by coalition offers, we will be very glad indeed; if not we will seek coalition with the voters," said Kiep.

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CSO: 3103/427

PAPER COMMENTS ON KOIVISTO'S CHANCES TO KEEP POWER

Helsinki HELSINGIN SANOMAT in Finnish 16 Aug 81 p 2

[Editorial by Henrik von Bonsdorff: "Sights Set for 1983"]

[Text] Prime Minister Mauno Koivisto intends to be accountable for the government job until the end of the election period in 1983, he says in an interview in SUOMEN SOSIALIDEMOKRAATTI. Henrik von Bonsdorff makes some comments on Koivisto's private philosophical thoughts.

Prime Minister Mauno Koivisto has set his sights for 1983. He lets this be known in a long interview in the party newspaper SUOMEN SOSIALIDEMOKRAATTI, where he points out that just in 1983 many things--both good and bad--will coincide. The collective agreements will expire, a new government is to be elected, and thus the government question will automatically be brought up. This in turn will affect the revenue politicians' new circles. The outlines for the state housekeeping must be examined, as well as the tax structure and their level.

"Until then I will try to do all these jobs," says Koivisto.

A couple of weeks ago, the prime minister declared in a TV statement in connection with the discussion of the budget questions and the government's possibilities to survive, that he could see certain possibilities for the present coalition to remain until the end of the election period. Many viewers noted that prediction with raised eyebrows.

In the party newspaper he goes one step further and clearly states that he intends to try to last until the election in 1983. He even lets it be understood that, even if the government trips on one or another slightly too high threshold in the budget issue, there still remains the possibility that its basis stays and only "the people" are changed. The whole government discussion has until now been almost academic. Only on the eve of the 1983 election can the tune be expected to change and evidently become more earthy, Koivisto thinks.

One must give the prime minister his due in many areas. During the whole time of "the two" much has been said about its being or not being, but very little has happened. This is, however, not because of different quarters lacking a desire to put spokes in the coalition's wheels, and not the least in those of its leader.

Voluntary replacements have been ready in the wings, and are still there. But Mauno Koivisto has shown himself to be a tougher and more persistent tactician than anyone thought he would be, the kind of political semi-amateur that he is. He has consistently kept a "low profile," preferring to take things with gentle persuasion, apart from some surprising roars in the controversies about the social package during the salary settlement last spring. And when definite, politically possible majority alternatives have not been too easily available, or rather not been available at all, then Koivisto has continued to run the show.

The prime minister is now determined, as far as it depends on him, to let everything remain that way for another 6 months. We have earlier in this column stated that it is our opinion that the country would not be served a change in government in today's uneasy and uncertain political and economic situation. There is no reason to change that opinion, rather the opposite.

But from this it does, of course, not follow that the road is level and smooth for the government's carriage. Lately, one has in different camps heard voices indicating that the combs are raised on some of the game-cocks. The steady rumors about the Center Party's desire to finally make a clean sweep with Koivisto are again flourishing. The extreme Left's more militant leaders may cause difficulties, in spite of earlier noted assurances about support for Koivisto's "two" in more moderate people-democratic quarters.

Koivisto's own philosophizing thoughts in the mentioned interview indicate that he still intends to proceed along the cautious and moderate line he has earlier followed as government leader. Intentionally and voluntarily, he refrains from speculative economy-political interferences to quickly help us out of the present depression, although these could be ever so point-getting. In the same manner as he has tried until now, with a lot of fuss, to cool the tendencies of overheating, he now wants to attack the present period of slow growth. If the depression lasts only a short time, he says, there is a risk that radical measures would be overdone, if it lasts a longer time there is a risk that through these measures all resources would be depleted already at the beginning. This reasoning is hardly sensational, though certainly rational. Hopefully, however, not too rational to be to the taste of the government's pro politicians.

When making some slightly more concrete selections in the text, one notes that the prime minister, speaking about the budget, believes that the only possible solution to the controversial question about easing the sales tax on industrial investments must be founded on the decisions from the fall of 1979. That means that industrial constructions still escape the tax, while investments in machinery and plants are reduced by only a third. The nonsocialist side of the government, not to speak about the opposition on the Right, has demanded that the tax be altogether abolished in these cases, preferably lastingly, once and for all. That demand is well supported in today's situation. But the Left's negative attitude is, unfortunately, a political reality, which Koivisto, on his part, obviously believes he cannot disregard in his assessment.

The fight against inflation has not gone quite as well as one could have wished. And Koivisto says that in this case there is not "witchcraft" to be summoned. The risk of the index threshold of the salary agreements being exceeded, however, do not frighten him too much, as the index conditions now provide compensation only for the part that is above the threshold, while earlier, in most cases, they demanded considerably greater reimbursements.

Speaking of the occupational sector, which Koivisto naturally views with concern, one may note that he, regarding the possibilities of increasing the job supply within the public sector, points out that there is no use in even thinking about new permanent expenses, if they are to be financed through temporary revenues or loans. Reading for Minister Kajanoja and his sympathizers!

The prime minister also mentions the employee funds and says that they are worth study and active input. He nails up two beginning arguments: firstly, the need to relieve the prevailing alienation in society, and secondly, that the companies can grow if the capital grows. The appearance of great private fortunes can, he believes, sometimes become an obstacle to healthy capital growth. The employee funds, which were to give the workers a tangible interest in the companies, could here manifest themselves as a useful remedy, he says.

These thoughts are not particularly original. It is, however, with greater interest that one notices that Koivisto considers the role of the trade unions in connection with the funds to be a very hard nut to crack. He regards the Swedish model with union-run collective funds, which has been introduced, with skepticism. Should it become a reality, the union would, step by step, be transformed into chiefly an employer, a company owner. If we understand the prime minister correctly on this point, then he finds such a solution most dubious, not to say objectionable. This would thus be made note of not just at home, but also addressed across the Gulf of Bothnia, where the employee funds will be a central and controversial question during next year's election campaign.

Koivisto has thus his sights set for 1983. Should his thoughts in that respect become a reality, he will be able to compete about, among other things, the lead in Finland's government race. But it is now primarily not for that reason that one looks forward to the answer to the question of whether his low profile will turn out to be strong enough to bring the coalition unhurt out of the budget which awaits in a couple of weeks.

9843

CSO: 3109/237

POLL INDICATES WIDESPREAD SUPPORT FOR DEVELOPMENT AID

Helsinki HELSINGIN SANOMAT in Finnish 22 Aug 81 p 2

[Editorial: "Finns and World Events"]

[Text] A few weeks ago Finance Minister Ahti Pekkala asked whether Finns would agree to compromise on their own benefits in favor of development aid and which funds should be redirected toward development aid. The Foreign Ministry's poll, which measured the Finnish people's understanding of development cooperation, provides the Finance Minister with a kind of answer.

Concluding from the results of the study Finns are quite clear on the world situation. The threat of nuclear war, wars being conducted in various parts of the world, hunger, and the poverty of developing countries are considered to be the most serious problems.

In studying opinions concerning the amount of development aid the individuals interviewed were first told how much aid is being given by Norway, Sweden, and Denmark. Perhaps this resulted in the fact that the majority of the respondents assumed Finland provides more aid than what occurs in reality. The examples of the Nordic countries may also be reflected in the opinions according to which Finland should perceptibly increase its aid.

In any case it is worthwhile noting that a full 80 percent of the respondents supported the idea of increasing Finland's foreign aid. The average figure presented was approximately 300 markkas annually per resident, which if realized would mean a threefold increase over the current amount.

Those answering the poll were also able to say from where the state should obtain the funds for increasing development aid. A full 63 percent considered subsidies for political parties as a primary source of savings and 22 percent wanted to reduce defense expenditures.

It can be argued that the questions in the poll are leading and the answers are subject to interpretation. In any event the results seem to confirm that the people are taking a more serious attitude toward development aid promises than the politicians. If we are not able to increase development aid in accordance with our promises, the reason will not be indifference on the part of public opinion.

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CSO: 3107/126

POLL SHOWS LARGE MAJORITY WOULD INCREASE FOREIGN AID

Helsinki HELSINGIN SANOMAT in Finnish 22 Aug 81 p 9

[Article: "Foreign Ministry Poll Indicates Finns Want to Increase Development Aid"]

[Text] According to an opinion poll Finns want to increase the amount of development aid. This was the answer of approximately 80 percent of 1000 individuals interviewed in a study. The development aid section of the Foreign Ministry had the study done by the Economic Research Corporation.

In the opinion of those interviewed the amount of aid should be increased to nearly 300 markkas annually per Finnish resident. Last year a little less than 100 markkas per resident was used in the budget for development work.

Nearly three-fourths of those who answered the interview believe that development aid will improve the possibilities of achieving peace. A little more than half considered that responsibility for the future of developing countries should be borne by countries other than the developing countries themselves.

Hopefully the outcome of the study will encourage political decisionmakers to increase development aid funds, states Mauri Eggert, chief of the development aid section.

Even though it was expected that Finns would take a positive attitude toward development aid, it was still a surprise that the response was so positive, states Eggert.

The outcome of this study was noticeably more positive than the outcome of the study conducted at the beginning of last year by HELSINGIN SANOMAT.

This was the first study of this scope conducted by the Foreign Ministry, states Kari Palosuo, information chief of the development aid section. The outcome is nearly the same as in studies conducted in the Nordic countries. The difference apparently is that in Finland there is less known about developing countries than in the other Nordic countries, conjectures Palosuo.

Youth Positive Toward Development Aid

Young people took a more positive attitude toward development work. They would

like to raise the amount of aid to nearly 400 markkas annually per person. Individuals more than 50 years old consider that this aid should be 220 markkas annually.

Support for increased aid increases in proportion to the educational and income levels of those interviewed. Farmers suggested the lowest figures for development aid. Also the amounts given by workers and housewives are less than the average, notes the Economic Research Corporation.

In the interview individuals were read a list of Finland's and the world's greatest problems. Among international questions war and particularly the threat of nuclear war caused the greatest concern. Hunger and pollution were noted as other significant problems. More than two-thirds of the respondents considered poverty and the explosive population growth in developing countries to be alarming. On the basis of the study women considered the problems to be greater than men did.

As far as Finland's problems are concerned those interviewed were the most concerned about environmental pollution and unemployment. Even though the problems of Finland's own developing areas did not worry the respondents as much as difficulties in developing countries, more than half, however, considered that our own country's development problems should be solved before we set about giving aid to foreign countries.

Those over 50 years old as well as the residents of the rural districts of central and northern Finland generally supported the idea of resolving our own problems first, stated the study. Two-thirds of the respondents supported the idea that aid to developing countries should be tied to projects and ventures coming from Finland.

More than half of the respondents believe that development aid benefits the poor in developing countries. The majority of the respondents considers that the objective of aid is to benefit the rich countries themselves.

An Open Letter to Mauno Koivisto

In an open letter to Prime Minister Mauno Koivisto, Director Pekka Kuusi of the State Liquor Monopoly, Chairman Pertti Viinanen of the SAK [Finnish Confederation of Trade Unions], and Professor of International Politics Raimo Vayrynen demanded that the amounts for development aid be increased.

In the letter the Prime Minister was reminded of the Social Democratic Party's stand taken in June that Finland's development aid be increased to 0.7 percent in 1987 and to 0.32 percent of the gross national product next year.

At the party congress it was considered that Finland's credibility will suffer if the government continually fails to keep its promises.

10576

CSO: 3107/126

NEWLY APPOINTED GENERAL PRAISES DEMOCRACY UNRESERVEDLY

Madrid YA in Spanish 26 Jul 81 p 9

[Interview with Lt Gen Manuel Saavedra Palmeiro, field marshal of the second military region, by Jose Maria Pagador in Badajoz; date not given]

[Text] Lt Gen Manuel Saavedra Palmeiro, who has just assumed his new post as field marshal of the second military region, expressed his confidence in Spain's future and in democracy, in an interview he granted to YA. Lt Gen Saavedra Palmeiro was in Badajoz to preside over the ceremonies at which Col Pedro Vallsein y Gonzalez Valdes turned over command of the Castilla 16 Regiment, to move on to Situation B.

[Question] You have a reputation as an open and friendly man. Is that reputation justified?

[Answer] Absolutely. I could tell you that last Sunday, when I finished my work at the Captaincy, at 1400 hours I hopped in the car with my wife and went to the beach at Matalascañas for the sole purpose of having a glass of wine with Pepe, a humble fisherman who has a little place right on the beach. Everyone knows him, and it was very satisfying for me to see when I got to his modest bar that he had saved a photograph and some newspaper clippings saying that I had been promoted to lieutenant general and had been named field marshal of Seville. He told me, "I kept this because I was certain that when you had a free moment you would come around here to say hello." Then word got around at the beach, a very special beach because the humble people of Seville and Huelva set up tents there where they spend the summer. I have a lot of friends there: a taxi driver and others on the same level. They came to the bar on that beach to have a glass of wine with me.

Civilian-Military Cooperation

[Question] There have been occasional incidents, General, between civilian and military authorities. How can such incidents be kept to a minimum?

[Answer] I think that normally, on an individual basis, there can be incidents and confrontations, antagonisms between people, but never between collective groups. So I don't think an individual event can affect a collectivity at all. In the Civilian Administration itself there are often incidents between the head of any department and his superior or another branch of the administration, without there being any repercussions.

When these incidents take place between a military commander, no matter what his level, and a civilian authority, the situation gets blown out of proportion. Relations between civilian and military authorities are cordial.

[Question] Do you believe, as a soldier with many years of experience, that Spain should aim toward an increasingly professional, effective and operative army?

[Answer] The professionalism of the army is being achieved today 100 percent. I have much experience in this field, because I have had the opportunity to witness and participate in foreign army exercises, even in wars with foreign armies (I was in the Russian campaign). I even had a chance, a few years ago, to direct the most important exercise ever undertaken in Spain: a joint-combined exercise with representatives of the land, sea and air forces of Spain and those of the United States. I was the director. I was the chief of that army, and took orders directly from the chairman of the Joint Chiefs of Staff and the adjunct chief of NATO in Europe. I was in charge of generals and whole units of U.S. land, sea and air forces. I can tell you that in terms of professionalism they have nothing over us. They have better resources, so their means of combat are more sophisticated, more powerful and more modern; but I think that is all.

[Question] My next question was going to be about that. How will it be possible to replace those obsolete resources in fairly short order, given the high cost of operation?

[Answer] This problem, and the credit that can be granted for this purpose, must be dealt with by the government. It is responsible for making sure that our needs are taken into consideration.

NATO: Good for Spain and the Army

[Question] What is your opinion of the NATO issue?

[Answer] The NATO issue is very clearly defined for the Armed Forces. A few days ago the press carried a note written by the chairman of the Joint Chiefs of Staff after a meeting with the president and the ministers of foreign affairs and defense, which I attended in my capacity as lieutenant general. The decision has been made by the government, and it was fully accepted by the Armed Forces. We feel that at this time it is the best thing for Spain and the Army.

[Question] General, do you think it will be possible for Spain to become fully incorporated within the context of the Western democracies?

[Answer] I think we are almost completely integrated on an equal footing with the rest of the Western democracies. Of course our access to these groups is still recent, and there can be some differences. But I think this is a situation we are immersed in, and it can be cleared up very shortly.

[Question] Is the Army particularly concerned about terrorism?

[Answer] The Army does not give preference to terrorism among its concerns. The problem of terrorism should be of equal concern to the entire Spanish nation.

[Question] I am referring to the fact that the vast majority of victims of terrorism are military personnel.

[Answer] The Army is affected not because the greatest number of officers, chiefs or generals have been the priority objectives of the terrorists, but because the Army has an obligation to fulfill according to the Constitution: the defense of constitutional order and the indivisible unity of the homeland. Terrorism threatens those two principles.

[Question] Do you believe that the problem of terrorism can be solved through some channel other than police and political measures?

[Answer] I think that is a political decision, and all I can say is that the Army would accept any decision made by our government in this regard.

Armed Forces and Democracy

[Question] To what extent are the realities of the Armed Forces and democracy compatible?

[Answer] They are totally compatible. So much so that I can state categorically now that democracies are born, and have been born for a long time, in the heart of the Armed Forces. I think one example would be sufficient: the Armed Forces are administered, as nearly everyone knows, through what we call economic boards. In a given regiment, the board consists of people ranging from the colonel to the most modern captain. There all the economic problems are discussed and evaluated, and everyone has an equal vote.

23 February Trial

[Question] What will the court martials stemming from 23 February mean for the Army? How will it react? What are your feelings about the trial?

[Answer] The Army has no preconceived position on the results of the trial stemming from 23 February, no matter what the outcome. Some of our colleagues did something which they probably, I am certain, believed was the best for their country at that time. They made some decisions which they are responsible for. The Army has not been affected by that.

[Question] Finally, I think you are an optimist, and Spain needs optimism. How do you view the future of our country?

[Answer] I have a profound faith in the future of Spain. Spain has known moments of greatness. At that time Spain was the known world. Today, perhaps we are going through a period of serious crisis, at a time when the whole world is suffering the same thing. But there is no doubt that Spain will overcome these difficulties.

[Question] Does democracy, then, fit into this picture as a formula for the future of Spain?

[Answer] In my opinion, yes.

8926

CSO: 311 1117

PCE ANALYZES AUTONOMY ACCORD BETWEEN UCD, PSOE

Madrid MUNDO OBRERO in Spanish 7-13 Aug 81 pp 5-6

[Article by Manuel Torres]

[Text] Twenty minutes before 31 July reached an end, the government and the Spanish Socialist Workers Party (PSOE) signed the so-called "autonomy pact." For various reasons, the Communist Party of Spain (PCE) and the Popular Alliance (AP) did not participate. The Communists were "excluded" materially, in view of the requirement to sign the entire series of measures included in the autonomy agreement between Leopoldo Calvo-Sotelo and Felipe Gonzalez, to wit: a list of the accords which make up this "autonomy agreement," the Organic Law on the Harmonization of the Autonomy Process (LOAPA), the Interterritorial Compensation Fund Bill, political-administrative pacts, and economic-financial pacts. Without the signature of the Communists or the AP, and with the opposition of Catalonians and Basques (who were not exactly mollified by the recent statements by the president), these "autonomy pacts" seem to be inspired by ulterior political motives which do not include the promotion of autonomy in Spain. At the same time, Spaniards are being kept in the dark as to the measures that will be applied to carry out the construction of the new Spanish state.

"I should point out that at a meeting a couple of days ago with the chief of state, Mr Calvo-Sotelo, I told him that we would not sign the LOAPA, and that the chief of state did not feel that that was important, and that at that time he was even willing for the LOAPA to be withdrawn from the accords."

These words were spoken by Santiago Carrillo, secretary general of the PCE, in his speech marking the end of the Tenth Congress of Spanish Communists. What happened in 2 days to change the government's position on that issue so radically? The specific reasons will probably never be known, but there is no doubt that the meetings between Calvo-Sotelo and PSOE Secretary General Felipe Gonzalez had a lot to do with it. As a result of these meetings, this "autonomy pact" was actually signed, while throughout the week it had appeared very unlikely that such an event could take place.

From Blows to Hugs in Five Days

At the beginning of the week, Spaniards ate breakfast listening to statements by PSOE leaders like the following one by Deputy Maria Izquierdo: "The government's

attitude is one of opposition to signing the agreements, because of its intransigence with respect to the electoral reform of the Deputations." And the Socialists, after the meeting of the Federal Executive, were vetoing every proposal that did not include direct and proportional elections of the Provincial Deputations.

This issue was not the only one on which the government officials and the Socialist leaders disagreed. There was also the matter of the amounts they thought the Interterritorial Compensation Fund should contain, which is essential for reaching an agreement on the economic aspects of this "autonomy pact."

There was apparently a stalemate. The deadline set by the Socialists, 31 July, was drawing ominously near, and government officials were already talking of extending the period for concluding talks. . . But Felipe Gonzalez and Calvo-Sotelo met at Moncloa and everything changed.

Inflexible Positions

What is certain is that once the government and the PSOE had everything all sewed up, the rest of the political parties had no choice but to take their castor oil without complaint. But they did complain.

Friday the Communists left the negotiations, which had begun on 24 June, after the Democratic Center Union (UCD) and the PSOE had taken their time (since April, when both parties commissioned the famous Enterria Report) to bring their respective positions into line. Three hours later, the AP left as well. As during the Suarez days, the administration and the PSOE reached agreements whose content was not known very well to anyone.

We have said that the PCE withdrew. Carlos Alonso Zaldivar did not agree with that move, according to statements he made upon leaving the presidential office building in Castellana, 3: "We have been thrown out of the summit meeting. We have been forced to withdraw. This seems to us a serious political error. We have been forced to accept everything, and we could not agree with all the subjects of negotiation."

The Communists did not agree with the LOAPA, which they considered unconstitutional because it involves a covert reform of Title VIII of the Constitution. Nor did they agree with the few figures that were finally mentioned regarding the FCI [expansion unknown], which they had been requesting week after week.

Nationalists Also Disagree

The Law on the Harmonization of the Autonomy Process has aroused opposition not only on the part of the Communists, who feel that because it is an organic law it presents a clear threat to the autonomy statutes already approved, but it has also provoked adverse reactions among the Catalanian and Basque parties.

The meeting between Calvo-Sotelo and Carlos Garaicoetxea did not assuage the Basque president's many doubts about the LOAPA and the autonomy agreements in general. The words spoken by the "Lendakari," upon leaving Moncloa, left little room for doubt: "What matters is that indeterminate juridical concepts, flexible

aspects of the statutes, are being whisked away in the political negotiations, and are being resolved under the guise of a technical measure; that is what is so serious about this matter." Later he added that in his opinion the LOAPA was unconstitutional and violated the statutes. The LOAPA has provoked a similar reaction in the Generalitat of Catalonia. On 29 July, the Executive Council met to study the LOAPA, and decided to form a committee of experts to study the possibility of unconstitutional elements in it. A short time ago the Basque government also formed a committee of experts. The war of the experts, then, is in full swing.

The reactions of the Catalan parties have been in keeping with the fears of those at the highest levels of Catalan politics. The president of the Parliament and leader of the Republican Left of Catalonia (ERC), Heribert Barrera, made this categorical statement: "The LOAPA, as it is written, threatens the Autonomy Statute and the Constitution itself." For his part, Rafael Ribo, on behalf of the Unified Socialist Party of Catalonia (PSUC), had nothing good to say about the consequences of the LOAPA for Catalonia: "It mocks the autonomous spirit of the Constitutions, making the autonomies an administrative decentralization and rendering the governments mere go-betweens for the central government and the Provincial Deputations."

Content of Agreements

The Communists, Popular Alliance members, Catalonians and Basques who oppose the agreements between the administration and the PSOE do not exactly have a calming influence on the important issue of autonomy. But these are not the only shadows that hover over this matter in the coming months. The most serious issue yet may be the secrecy surrounding the agreements themselves.

There is, for example, the matter of the Deputations. How will these organisms, which are to play such an important role, be formed in the future? The positions of the executive and the Socialist Party were absolutely irreconcilable at the beginning of the week. Today there appears to be agreement, but no one knows exactly what it consists of.

The words of Felipe Gonzalez, once the "autonomy pact" was signed, did not clarify anything: "The system is being changed in order to achieve maximum representativeness, and it is stated furthermore that the post of district council member is compatible with that of deputy." But little is said about how this maximum representativeness was achieved, when other reports indicate that the Socialists have accepted part of the UCD positions on the matter, which clearly favor a majority system in the election of the Provincial Deputations.

What is certain is that the content of the "autonomy pact" will not be revealed until the various laws reach Parliament. There, the UCD and PSOE have enough votes to push their bill through. But that will not solve the problem of involving the vast majority of the national population in the construction of the state of autonomies.

Reasons for This Agreement

The opposition generated by the agreements signed between the government and the PSOE makes it even more imperative that we ask the reason for such a precipitous

agreement, which furthermore excluded many political forces whose participation would have made the accords the keystone in the construction of the new state.

There is no doubt that both signatories were influenced by powerful motivations manifested in the increasing likelihood that general elections will be called in the spring of 1982. The policy of cooperation between Calvo-Sotelo and the Socialist Party will show us different episodes in this struggle to show public opinion who is really behind the agreements.

The disastrous situation of the government party leaves the president powerless; not even in Parliament will he be able to present a policy without running up against opposition. Recent votes lost by the government in the past few days of Parliamentary activity are an indication of that, and the recent events within the UCD have not exactly been encouraging for the president.

The PSOE is aware of that, and it is also aware that it cannot collaborate indefinitely with the executive, because its image would be tarnished in the eyes of the electorate, which is almost certainly going to be called to the polls soon. It also knows that this is not a matter of coming up with a clear opposition policy to weaken the government, with the dangerous consequences that could lead to. The PSOE's option is clear: to appear to be the true author of the cooperation policy.

Hence the PSOE's anxiousness to sign the autonomy agreement within the time period it stipulated. Calvo-Sotelo would have liked to wait longer, and even obtain broader participation in this matter, as clearly indicated by the words of Santiago Carrillo that were quoted at the beginning of this article. The government caved in to the Socialists' demands, almost certainly making concessions on the Deputations issue.

This agreement has surely lost much of its strength with the exclusion of the Communists and other forces, including the nationalists. Because the state cannot be constructed by two parties, no matter how big they are. It would have been wiser to have far-reaching negotiations on the matter, without "experts" to dilute the respective responsibilities. Those negotiations should take place in open Parliament, which is the same as open public; they should not be behind the closed doors of offices, even if those offices are as important as the ones of the Palace of Moncloa.

8926

CSO: 3110/147

POLL SHOWS VOTERS INCREASINGLY FAVOR COALITION

Stockholm DAGENS NYHETER in Swedish 23 Aug 81 p 5

[Article by Sven Svensson: "New Poll: More Want Coalition Government"]

[Excerpts] The desire for a coalition government between the social Democrats and the three bourgeois parties is growing swiftly, while confidence in the bourgeois bloc has received a serious blow. This is the result shown by an opinion poll which was taken in the spring of 1981 by the Foundation for Opinion Analysis. Seventeen percent of the voters favor a coalition government against eight percent in 1979. In 1979 21 percent believed in the bourgeois 3-party bloc, and in 1981 that figure is down to 6 percent.

The Foundation for Opinion Analysis asked the following question to approximately 2,000 voters in 1979 and 1981: Which government do you believe can best deal with the economic crisis?

The answer to this question in percentages was as follows:

	<u>1979</u>	<u>1981</u>	
M + FP + C	21	6	[M=Conservative Party
FP + C	3	1	FP=Liberal Party
FP	3	-	C=Center Party
C	3	1	S=Social Democratic Party
M	4	8	VPK=Left Party
S	20	23	Communists]
S + M	-	4	
S + FP	6	4	
S + C	5	5	
S + VPK	7	9	
S + FP + C	2	5	
S + M + FP + C	8	17	
Other	3	3	
No Opinion	15	15	

Conservatives Gain

A gain was noted for a pure conservative government, for a government consisting of social democrats and communists, and for a government across bloc lines consisting of social democrats, centrists and liberals. A government of social democrats and conservatives is a new desire for 1981.

The existing government combination of Center Party and Liberal Party has low and weakening support of public opinion, only one percent.

Fifteen percent of those asked had no opinion about a "best government."

Of the 23 percent who backed a purely social democratic government almost all, 85 percent, were social democrats, 2 percent were conservatives, and 1 percent were communists. The rest had no opinion.

The gain for the alternative of a coalition government of social democrats, conservatives, liberals and centrists is hardly sufficiently large that this alternative will exist as a solution to the government question.

Of the 17 percent that voted for a coalition government, 31 percent were conservatives, 4 percent liberals, 15 percent centrists and 18 percent social democrats. The rest had no opinion.

Of the 9 percent who prefer a government of social democrats and communists, 63 percent are social democrats and 26 percent are communists.

Of the eight percent who voted for a conservative government, almost all were conservatives.

Other Questions

In 1979 a majority of the voters believed that a bourgeois government would lead to lower employer contributions, that it would be more profitable to run a business, that there would be more religious education in the schools, lowered taxation on personal income and less labor union domination.

A majority of the voters thought also that a social democratic government would lead to better child allowances, discarding elementary school grades, establishment of a republic, higher pensions, more social help, more income leveling, milder treatment of prisoners and more child day care centers.

The questioning was somewhat different in 1981. This time the foundation asked the voters what hopes they had from each government coalition.

A social democratic government in 1981 was judged about the same as in 1979. Hopes were expressed for measures against currency exchange and tax crimes, more equality between the sexes, income leveling, more voice in management by employees and higher pensions.

The voters who want a coalition government in 1981 have about the same political desires as those who in 1979 voted for a bourgeois 3-party bloc. Stop inflation, increase school discipline, make it easier to run a business, reduce income taxes, more support for gifted students, reduce employer contributions and phase out nuclear power are the most important.

Those who want a pure conservative government want most of all to have reduced employer contributions so that it will be more profitable to run a business, and reduced income tax, but are less interested in phasing out nuclear power and improving school discipline.

Misuse of Power

The foundation has even investigated attitudes among the voters toward the power exercised by the unions and the employers. Those who want to reduce the power of the unions and the employers have become neither fewer nor more during the last 3 years. Fully 20 percent want less domination by the unions or by management.

The poll also asked some of the voters if they believe that "economic power in the hands of the state led to a risk of abuse of power," and some if they thought that there is a risk of abuse of power if "one party alone had a majority in the Riksdag."

To the question about the power of the state, 16 percent answered "yes, absolutely," and 29 percent answered "yes."

To the question about a majority party, 22 percent answered "yes, absolutely," and 20 percent answered "yes."

Whether the state can be a risk was answered affirmatively by 62 percent of the conservatives, 58 percent of the liberals, 50 percent of the centrists, 28 percent of the social democrats and 45 percent of the communists.

Whether a majority party creates a risk for abuse of power was answered affirmatively by 54 percent of the conservatives, 53 percent of the liberals, 68 percent of the centrists, 34 percent of the social democrats and 37 percent of the communists.

Increased Cooperation

Many voters expressed themselves for increased cooperation in society without a change of government. Fifty-four percent wanted more cooperation between the social democrats and the bourgeois parties, 37 percent between the parties in the government and the unions, 20 percent between the social democrats and the unions, 26 percent between the parties in the government and the employers, 32 percent between the social democrats and the employers, and 47 percent between the unions and the employers.

It is only among the bourgeois voters that there is a majority for cooperation between the bourgeois parties and the social democrats. Seventy-four percent of the liberals, 68 percent of the centrists and 61 percent of the conservatives favored such cooperation against 48 percent among the social democrats.

9287

CSO: 5169/10

PAPER CRITICIZES PALME PLEDGE TO SET UP WAGE-EARNER FUND

Stockholm SVENSKA DAGBLADET in Swedish 31 Aug 81 p 2

[Editorial: "The Generous Mr Palme"]

[Text] Sunday was the social democrats' day.

While the Liberal Party leadership and Riksdag group spent the day absorbed in economic reality and the caprice of the voters in the struggle to reach a brighter future--SVENSKA DAGBLADET promises to return to that tomorrow--social democratic spokesmen lined up to abolish economic reality.

They had their spendthrift britches on, all the way.

Olof Palme wore the largest pair, possibly inspired by the Bekladnads congress.

In a situation where the budget deficit is rushing headlong toward 70,000 million kronor, Palme frankly explained in an interview with the Swedish Central News Agency--personally, he was in Canada for the day--that the government's intended savings goal of 12 billion is completely without justification considering the reduced demand that such economy would create. Exactly what Palme meant is, as usual, unclear. But we assume that he thinks it is unnecessary to save the 12 billion, otherwise the opposition leader's statement is totally without content or meaning.

To that Mr Palme added the 2,000 million kronor which AMS [National Labor Market Board] requested in addition to the 500 million kronor that they have already received from the government to fight unemployment during the fall and winter.

So the budget deficit increased in one day from about 70,000 million kronor to about 84,000 million kronor.

And we still have not, through a feeling of delicacy, included the money which Palme promised to those employed in technology, nor the unspecified millions which the social democrats' shipyard policy is going to cost.

But can we not borrow the money?

How irresponsible can a political opposition be? To judge by the social democrats' Sunday message the answer is: Boundlessly.

One thing, however, is true--such an economic policy of rosy promises can only be carried on while in the opposition.

9287

CSO: 3109/244

PALME: IF SDP WINS IN 1982, WILL SEEK WAGE-EARNER FUND

Stockholm SVENSKA DAGBLADET in Swedish 31 Aug 81 p 6

[Interview with Olof Palme, opposition leader of the Swedish Riksdag and leader of the Social Democratic Party by the Swedish Central News Agency; date and place not specified]

[Text] "If the business community will not reason with us about the employee funds, they will have fewer opportunities to influence the measure. If we win the election in 1982 we will probably present a proposal to the Riksdag the same fall."

"That will create the best possible conditions for the 1983 wage negotiations. But there can not be a complete bill on the employee funds," said Palme, who also criticized the government's savings program for 12 billion.

"Today there is no justification for the large reduction in help for the less fortunate groups in society that the government plans with its savings program, but we are naturally going to test every proposal. Instead of that program we will put in our own crisis program 'Future for Sweden' which will be developed by the party congress."

[Question] Why do you believe that your own program is better than the government's?

[Answer] "Because it is the only one which offers an overall solution to Sweden's economic problem. Many independent economists agree. It is not perfect, it is here and there incomplete and it can be improved. But the program shows how to defeat our economic crisis in an aggressive way."

Palme fears that the large unemployment which is threatening can be a factor because the measures which the government devised were applied too late. The social democrats have not examined in detail the AMS [National Labor Market Board] proposal which came the other day with a request for an additional 2 billion. But they believe there are strong reasons for the AMS appeal, and they will therefore support it as much as necessary.

[Question] But where will the 2 billion come from?

[Answer] "It will cost almost as much to pay for the unemployment benefits. But the 2 billion can also create production value, and people can receive training."

[Question] Can you agree to the reduction of 10 percent in employer contributions which was proposed by chairman Curt Nicolín of SAF [Swedish Employers' Confederation]?

[Answer] "That would cost the treasury 20-25 billion kronor, which would be very inflationary."

Palme believes that the vicious attack on the employee funds is a sign of an irreconcilableness which exists in the business community.

"The inability of the business community to reason with us means that they will have less opportunity to influence the measure. If we win the 1982 election we will probably present a provisional bill on the employee participation in profits in order to get the best possible conditions for the 1983 wage negotiations which will then begin."

[Question] What benefits will those outside of the business community gain from the employee funds?

[Answer] "The basic advantage is that the employee funds are a necessary step in our struggle to lift Sweden out of the economic crisis. A recovery will benefit all the citizens."

[Question] Do you believe a fund compromise is possible which can also be accepted by the business community?

[Answer] "Yes, since the funds do not change the basis for our economic system, and are clearly needed in the mixed economy. Therefore the leaders of the business community should be interested in a dialogue. It is too bad that at this time they are not."

9287

CSO: 3109/244

NEUTRON BOMB SEEN AS BYPRODUCT OF DECAYING WORLD PEACE

Adana YENI ADANA in Turkish 14 Aug 81 pp 1, 5

[Editorial by Cetin Remzi Yuregir]

[Text] I recall that I made my first campaign speech in early May 1968 at a village cafe in Toprakkale. There was both an upcoming local election and a byelection for an empty parliamentary deputy's seat. I was running for the deputy's seat. I had previously attended innumerable election meetings and rallies but only as an on-looker. I would now forge my first link with the citizen, and I was going to introduce myself and the political views I represented. The issue I addressed was a common foreign policy problem of the time, although I must admit I don't remember what it was. Nonetheless, I endeavored to explain to those kind enough to listen to me that foreign policy problems are as important as the most inconsequential domestic political spats.

I told them that today's world has grown smaller and that everything that happens in the world impacts directly upon our daily lives and even effects the shops and markets of our villages. We must focus our eyes on the outside world! Some words in this vein.... That day I saw neither positive nor negative reactions from the voters. But I felt that my audience had not spoken up out of traditional Turkish politeness and the fact that they didn't have a great deal of interest. They were expecting the fashionable debates of that day or the traditional political liturgy on the high cost of living or freedom. In short, I had been unable in that first speech to forge the necessary link with the voters. How successful I might have been later in my other duties had I forged that link is something I don't wish to discuss here. I am thoroughly convinced only of the truth of those words I spoke in early May 1968 and I have been proved right most of the time.

I note that it is like me to address much the same theme in my articles. World events continue to be of extreme interest to me. And I think it important to share with my readers my views on these issues, even if they are occasionally wearisome.

One of the current world issues is the NEUTRON BOMB.... The start of U.S. manufacture and stockpiling of the neutron bomb is sparking a variety of reactions. The East in block--particularly the Soviet Union--is raising a great hue and cry. China is supportive of the U.S. Meanwhile, public opinion among segments of our Western Alliance is not hiding the fact that it views the neutron bomb as a peace-

threatening, inhumane weapon. As for our country, we are presently showing no reaction whatsoever. With typical reserve, we are content to say, "We will air our views during the NATO discussions." Narrow and somewhat one-sided commentaries are appearing in our press concerning the neutron bomb. Those holding affirmative views assert that this weapon will have a beneficial effect since the U.S. will hold the sure trump in the world balance of power. Some even laud the bomb.

Indeed, the world must not be bereft of peace. Men should be brothers and ought not fight. This is a supremely beautiful wish. But what a pity it is that since the dawn of time this wish has been no more than just that and has failed to transcend the level of grist for propaganda that nations use to break their enemies ability to wage war....

The neutron bomb will in the days ahead spark broad debates, perhaps demonstrations, and international tension in every corner of the world. But will these superficial reactions really change anything? So long as conflagrations break out among men, and total wars erupt, and weapons that in fact are located in every corner of the world spew forth death, the neutron bomb, the building of deadly aircraft and missiles, and spy satellites will be of lesser importance. What's more, so long as disputes and enmity are on the rise, every nation will be obliged to develop weapons systems for its own security and to maintain a strong military force. I have touched on the same issue before. Peace is a prize that nations can win by demonstrating a determination to wage war somewhere.

I want to make this point: Despite all its inhumane dangers, the neutron bomb has emerged as a necessity in the current world order. Perhaps the opposing block has manufactured a more deadly weapon or is about to do so. What's important is to pursue efforts that will ensure such a weapon remaining a threat never to be used. If we take firm steps to forge an international order in which economic relations are run soundly and social conflicts removed, we will have attained one of the highest goals. Meanwhile, we must gain and maintain the status of a respectable and honorable ally within our Western block. As a consequence, our ability to make important contributions to world peace will also increase. Please take my words as a realistic perspective that accepts the exigencies rather than one of extreme optimism. It is not compulsory to love or even like the neutron bomb; but when faced with determinism, one must seek out ways of acting responsibly. Time must not be lost to hollow debate, praise or disparagement.

CSO: 4654/166

CYPRUS WILL CONSULT NAM

Nicosia CYPRUS MAIL in English 2 Sep 81 p 1

Foreign Minister Mr Rolandis said yesterday that Cyprus will thoroughly discuss with its fellow members in the Non-Aligned Movement the next steps it shall take in the search of a peaceful settlement of the Cyprus problem.

Mr Rolandis made the statement in the course of a speech last night at the School for the Blind before a gathering held to commemorate the 20th anniversary of the first meeting, the foundation meeting of the Non-Aligned Movement in Belgrade.

The Foreign Minister referred to the history of the movement and its support in the case of Cyprus problem and indicated that it has been the advice of non-aligned friends that the dialogue should continue.

"The advice was received from all non-aligned countries we have contacted so far is that for the time being the procedure of the dialogue and exploration should be continued", Mr Rolandis said.

He mentioned that the Turkish proposals cover "only a very short distance on the territorial aspect" while on the constitutional aspect they "keep the two communities far apart". They should have covered a greater distance on territory and shortened the distance on the constitutional aspect he said.

The Foreign Minister said that Cyprus would discuss thoroughly with the non-aligned nations the further steps during meetings scheduled for this and the coming month in New York and Australia.

Peace

The Yugoslav Ambassador Mr Job, whose country hosted the first non-aligned meeting in Belgrade noted that the Non-Aligned Movement which was started by 25 countries now has 96 members who constitute two thirds of the U.N. members.

Listing some of the achievements, Mr Job said: "We have resolutely fought for peace, equal security, universal, not selective, detente and freedom throughout the world. We have defended independence and sovereignty of countries, whenever attacked and threatened, from whatever direction.

"We have opposed imperialism and all other forms of hegemony and domination. We have denied the right of intervention or interference to anyone under any pretext".

And, he added, they had vitally reasserted the movement of the non-aligned countries, as an independent, non-bloc, global factors, which could not be anybody's rubberstamp.

Mr Job praised Cyprus's support for non-alignment despite provocations and said the leaders and the people of Cyprus have already countered suggestions that Cyprus would have fared better had it not been non-aligned.

President Kyprianou who also delivered an address said that Cyprus will continue unswervingly a non-aligned policy both for reasons of principles and because that is in the best interest of the country.

Another speaker was the ambassador of Cuba, the country currently holding the chair for the non-aligned movement.

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COUNTRY JOINS EUROPEAN SPACE RESEARCH PROGRAM

Helsinki HELSINGIN SANOMAT in Finnish 27 Aug 81 p 10

[Article: "Finland Included in Extensive Space Research: EISCAT Radar Project Will Cost 100 Million"]

[Text] Sodankyla--On Wednesday Finland officially joined history's largest space research project. When Sweden's King Carl Gustaf XVI pressed the red button in Kiiruna, the EISCAT radar system's antennas, which will study near space, went into operation in Kiiruna, Sweden, Tromssa, Norway, as well as Sodankyla, Finland.

A kind of simultaneous celebration took place: the King of Sweden spoke in Kiiruna, the people clapped in Sodankyla. The applause should be sufficient for the next 10 years.

EISCAT -- an acronym for European Incoherent Scatter -- is pure fundamental research. Six countries, Finland, Sweden, Norway, France, Federal Republic of Germany, and England, are together funding this 100 million markka long-distance measuring system, which will study the plasma of near space, disturbances in the ionosphere, and the magnetosphere, which surrounds the earth, to the tune of 10 million markkas annually.

The project will have no immediate practical benefits. To be sure, some of the information transmitted by it will have an apparent relationship with the weather. Thus it must be understood that the King of Sweden did not contribute any more to a scientific understanding of the nature of the project than did Education Minister Stenback, who expressed congratulations on behalf of Finland.

"The basic research must be paid for. Without it, it would be a waste of time to expect that we would receive new generations of research workers or that industry would benefit from its innovations," stated Stenback.

The King of Sweden, for his part, confessed that he enjoyed the aurora borealis. He was right. The phenomena being studied by EISCAT can be seen most clearly in that oval-shaped zone of northern lights stretching all the way to Sodankyla. The northern lights continue to entice interested geophysicists from around to the world to Finland's Lapland.

Finland's excellent geographic location and the high professional level of Finnish

geophysicists are, for their part, the reason that Finland was included in the project at half price. The Finnish Academy provides funding for EISCAT at only 5 percent of the expenditures required to maintain the foundation. The sum is approximately the same as the amount paid by the Sodankyla Observatory for the six employees required by the project. Thus the basic research can even function as an employer in a developing area.

Delays Throughout the Whole Project

Before Tromssa's, Kiiruna's, and Sodankyla's antenna beams were able to cross one another at a coin-size point in the ionosphere somewhere above Tromssa, more than 10 years of work was needed. EISCAT was put into operation in Ottawa in 1969, but the timing of its inauguration was too soon.

The equipment brought from California was not what it should have been. The Norwegians, for their part, wanted to build some mystical part themselves. This they did, but it took time. In Finland the inauguration ceremony took place 1 hour too early since no one had paid any attention to the fact that Finland had made the changeover to daylight saving time. The last blunder was made by those who almost called the King of Sweden Gustav Adolph or at least His Royal Highness.

Festivities Held in the Midst of Gnats

Thus it is no wonder that Professor Tor Hagfors, who spoke to Sodankyla by radio, expressed his humble doubts in Carl Gustaf's ability to accomplish anything significant by pushing that important red button. One was supposedly to trust in the King's "magic touch".

It worked. And how soon people become accustomed! The invited guests to Sodankyla -- in the group were one minister, one bishop, one governor, and two distinguished ambassadors -- rose to a half seated position to watch the gigantic antenna turn or to watch the impression on the monitor. When the fun had lasted for about 10 minutes, the antenna was left to revolve by itself. The invited guests had fled to enjoy a cup of coffee.

The festivities concluded in as a dignified manner as possible. An airplane from Kiiruna to Rovaniemi via Tromssa also brought Finnish guests to the ceremonies in Kiiruna, at which even a king was present. This is not amazing. What is amazing is that Chairman Oiva Hyttinen of the Sodankyla City Council also went to attend the evening festivities in Kiiruna: "Festivities for a king -- the only day without rain all month and there are 15,000 kilos of barely dry hay in the fields!"

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